NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

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UNITED STATES NOW STANDS ON OWN FEET

Our National Program of Defense No Longer Depends on Allies' Help

PRESIDENT ROOSEVELT'S message to Congress, calling for an eventual defensive air force of 50,000 military airplanes and an appropriation adequate to bring defense personnel and equipment up to date, struck a new note in our national policy. For the first time, in the President's message to the joint Congress on May 16, America stands upon her own!

Gone was the smug complacency and former boastful pride of strength in our alliance with the so-called "democracies." From 1918 to 1940, the ideologies, mutual interests, endless propaganda and an identity of philosophies have associated England, France and the United States as co-partners, if not allies, in a world filled with rivalries, injustice and greed.

No longer is the British Navy the first line of defense for this Republic, and no longer are we to trust to the land of Lafayette to save us from any foreign aggressor. Costly as it may be to establish our own defense, it is cheap at any price to walk out of a world of illusion and face stark realism with an awakened national consciousness.

None questions the desirability of "an adequate program for national defense"; the differences hinge around the word "adequate." It is defined by some as a power able to meet successfully any potential enemy. It is defined by others as a power able to meet any combination of enemies. Between these two is a vast field of implications.

The one places us on a naval parity with the British Empire, a military parity with France and an air parity with Germany; the other concept simply adds the navies, the armies and the air forces of all the world together and asks us to meet them ship for ship, soldier for soldier, and plane for plane!

A seemingly reasonable approach to the problem was made in the old "5-5-3" conception which resulted in the parity agreement between the United States, Great Britain and Japan. That agreement, of course, has been abrogated.

As Europe's participation in the war continues and ships are destroyed, there is less need to build for America's Naval ratio, since our position, by comparison, becomes more favorable with every loss to a foreign power.

As respects the Army, America has always been wedded to a small standing Army, following the Athenian concept rather than the Spartan; namely, that the valor of our citizens, historically, has proven itself more advantageous than devotion to long and rigorous training. Sound as the theory may have been historically, it is only common sense to enlarge the Army in proportion at least to the growth of population. This has not been done.

When Col. Charles Lindbergh surveyed Europe, he offended British royalty at an Astor tea by commenting frankly on the air efficiency of Germany.

Sound national defense for America implies what Father Coughlin told his radio audiences in 1938; namely, *emphasis on an air program with sufficient men and planes to drive off any attacker.*

A PAGE OF COMMENT
By Father Coughlin

★

WAR CONQUERS DIPLOMACY
(A Chronology)

★

SPHERES OF INFLUENCE
By Louis B. Ward

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DINNER CHAT
By the Staff

Some Editorial Confidences

"SOCIAL JUSTICE is not lively enough."

"The magazine is too serious."

"We appreciate the education in money and the fundamental principles of social justice, but we miss the lively controversies of other days, when you went after a social violation of the principles with editorial hammer and tongs."

IT IS FROM letters like these—a few among hundreds—which come to an editor's desk that a magazine must sense the public pulse and frame its action program. Indeed, it was in response to just such letters that we came to the present policy. We were, the letters said then, "too controversial;" despite our best intentions, the writers warned, hatreds were being stirred up in a nation already too divided. Be "more constructive," those counsellors pleaded, "get back to the 16 principles," "money is Father Coughlin's field," etc., etc.

And so, we took the word "Usury" out of its academic niche in the dictionary and brought it down into the dust of the arena, so to speak; and, in a series of carefully prepared articles, we attempted to show how usury in banking practice, under the abuses of modern capitalism, can create—and perpetuate—a national depression.

When the American Bishops of the Catholic Church issued their February letter on the "*Church and the Social Order*," most of the religious press printed the statement in full. SOCIAL JUSTICE, almost alone in America, took one of the Bishops' specific recommendations — notably, the "guild or corporative system"— and in a series of historical articles gave our readers a background for study of the Guild System. Special emphasis was put upon those social principles of the Medieval Guilds which might be applied to the improvement of today's conditions. Incidentally, very many of those old guild practices were shown to be the direct antithesis of many approved practices today.

* * *

When a national magazine through the years attains and holds the reader confidence that SOCIAL JUSTICE commands, even the arbitrary desires of its owners and editors must take into consideration what the readers want. Of course, our readers expect the editors to "run the paper." When we are caught in the *impasse* of such a balance of demands as we are— one group commending us on the "absence of controversy" and the "high tone of our educational mission," and the other cancelling subscriptions and insisting that we "come down off the high-brow rostrum and get hot," the editor's working day is only beginning.

Plainly, when we do become controversial ***it must be about the right things!*** For example, we will never cease to be "controversial" about Communism. But it does seem to us that we are doing more effective service for Christianity and America when we expose those abuses of capitalism and usury in banking practice which further Communism, than when we are ranting about the "Spivaks" and their ilk.

* * *

We especially like the letters we get from earnest SOCIAL JUSTICE salesmen — and saleswomen. We quote a portion of one such letter on the *Letters* page today. "There is so much gloom and pessimism all about us, that it is almost a superhuman task to keep up our hope and courage when our magazine is pessimistic, too," this lady writes. Every time the paper arrives she leafs through the edition; if she finds the general effect of its contents pessimistic, she is resigned to a sales week in which only the "regulars" will buy it; but when we record some gains for the right, she is confident of an increase in her sales. That report is the most valuable sort of "circulation analysis," and every editor is eager to have such constructive comment.

No magazine in America, we are confident, has such a loyal staff of sales folk. We all have seen them in Winter snow, in storm and rain— but what is even worse, in the face of public indifference! — standing week after week to sell the paper founded by Father Coughlin, and in the interests of that social justice program which the Radio Priest of Royal Oak has expounded for so many years.

"SOCIAL JUSTICE," writes another correspondent, "seems to us to be the 'organ of a movement,' and Father Coughlin is the voice of that movement for Christian social justice in this land of promise that is America. When the magazine forgets that, or permits its readers to forget it, you are missing your mission."

It would be a blind and foolish editorial staff indeed which could go wrong with such co-operative reader contact. SOCIAL JUSTICE is not going to make any re-statement of policy or any editorial promises. We already have promised that there will be no Summer doldrums; the Winter and Spring "doldrums" are over. We *will* give you a more lively paper; we will note "gains" and be as "hopeful" as we can whenever we can find a gleam of hope.

A Peaceful Hemisphere

"WE CANNOT trust European news, nor the wishful writers who have been waiting to 'blow the lid off'," observes the *Florida Catholic* in an editorial discussion of the Scandinavian invasion. "Our sympathy," continues the Florida journal, "goes to the invaded countries, but we must not be too sure that they have been the victims of one warring nation only. The great parties to the war will neither of them respect the rights of neutrals. They will both take every opportunity to ensure their own victory.

"It is well that this country has protected itself and its neutrality by keeping out of the war zone. If our ships were allowed into the belligerent waters, they would be attacked and seized, and our national passions would be aroused, and there would be grave danger that we would be drawn into the conflict.

"Apparently, our country, and this Western Hemisphere, is the only territory where peace will have refuge. Let us make certain that peace will be with us; and that after the insanity has finally spent itself, we shall be able to lend a helping hand to the victims of the horror: namely, the poor people who are driven like beasts to fight each other for national power or for revenge for former defeats.

"God alone can succor the people. Pray to Him for them."

Memorial Day

THIS WEEK a grateful, if not always thoughtful, nation will observe Memorial Day. Annually, the American holiday has commemorated those who died to save the Union in the war between the States. By custom it has come to be extended to include the dead of other wars.

In Milwaukee, Wisconsin, the Memorial Day committee has taken action to keep out of the parade representatives of "unpatriotic organizations" which in former years have insinuated themselves into the line of march for some other purpose than the reverent observance of the national holiday.

"Memorial Day is a commemorative occasion and not a time for propaganda," observes the *Milwaukee Journal* in an editorial commending the committee's action. "On this day we turn our attention for a little while to those who have fallen in all our wars. We do not ask whether the particular war was right or wrong. We do not fight the Civil War over again, but honor alike the Blue and the Gray. We do not ask whether war itself is right or wrong. That is not a question to be placarded on the streets on Memorial Day or discussed at the graves of veterans.

"There is a time and place for such discussion," continues the *Milwaukee Journal*, "and we are not here passing on the merits of organizations which campaign to keep America out of war, and out of this war in particular . . . The point is that the Memorial Day parade is not the place to include demonstrations which present political and social arguments."

The desecration of Memorial Day parades by irregulars who slip into the line bearing placards for their "causes," even Communism, have shocked many a community. The policing of Milwaukee's streets to prevent such affronts this year will be cheered, and perhaps emulated, by other cities.

Police Suicide

COMMENTING upon the suicide of a New York Police Captain, the *New York Sun* points out that in 67 months, 94 members of the uniformed police department of the nation's largest city have taken their own lives.

The general suicide rate among white males between the ages of 21 and 60 in this country is 30.5 per 100,000 per year. At that rate, if the general average held among New York City's 19,000 policemen, the suicides in five and one-half years would have numbered about 32—or ***about one-third of the actual number of such tragedies!***

"Police are not of the suicidal type," says the *New York Sun*. "The principal causes of suicide are poverty and hunger and worry caused by unemployment; ill health, mental abnormality, physical pain and deformity. As policemen are well paid and their employment secure against ordinary hazards, and as they have been chosen for their physical and mental fitness, these (normal) causes must be ruled out. The rate of suicide among the New York police should be much lower than that of the age-sex-color group into which general suicide statistics put them.

" . . . When *The Sun* in February of last year called attention to the alarming number of suicides in the force, the leading analyst of suicide incidence said that it revealed an amazing situation for which he knew no parallel. The puzzle remains."

What is the hinted but undisclosed situation in the New York police department that impels responsible officers to take their own lives? "Puzzles" of this sort are not tolerable. There must be an answer and a way to find it. But it is New York's job.

Questions

A terse, blunt question often stimulates thinking and its answer sums up a lot of reading. In conversation we are always being asked them. The informed reader is at a distinct advantage. SOCIAL JUSTICE honestly strives to inform its readers. Answers to the following questions are found in today's contents.

What is usury?

Do you know the story of Naboth and the coveted vineyard?

What new national policy of defense for this country is indicated in the President's appeal for preparedness appropriations?

For what big city is suicide of its policemen a problem? Why has it become a problem?

What new trend in international affairs is replacing the greed of empire and the old balance of power?

What is Lord Lothian's four principles for a federation of world nations?

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A PAGE OF COMMENT

United States Is Not Prepared for Modern Warfare—Republic Lags in Equipment and Personnel

ONE HUNDRED FIFTY YEARS ago George Washington said: "To be prepared for war is one of the most effectual means of preserving peace."

At present the United States is not prepared for war—particularly modern war which scoffs at fortifications, toys with battleships and disparages mass formation of troops, armed only with carbons and portable machine guns.

The success attending German arms is predicated, from an equipment viewpoint, upon airplanes.

Officials at Washington are very conscious of this, as one gathers from off-the-record pronouncements.

And figures in this connection—as presented to the Board of Civil Aeronautics, headed by Mr. Hinckley—are worth considering. Thus, we learn:

Where the United States has 2 pilots, Germany has 7½.

Where we have 1½ men for ground crews, Germany has 9.

For every anti-aircraft gun we have, Germany has 7.

Where we are equipped to produce 1 airplane, Germany can produce at least 7.

Moreover, we are told that we have equipment for 75,000 soldiers, while Germany has equipment for 4-million. (*Congressional Record*, May 13, 1940, p. 9127.)

* * *

Defense? Or Bond Profits?

SOME GOVERNMENT officials — and others — possibly entertain the opinion that George Washington used a crude phrase when he spoke about "preparing for war." We moderns have substituted "national defense."

On Sunday, March 20, 1938—more than two years ago—I broadcast the following:

"Before this week will have expired, it is likely that a new navy bill will be passed by Congress. It calls for the appropriation of $1,100,000,000 to be expended upon the construction of ships. Now the majority of you in this audience are enthusiastic about this bill. Abroad you see looming the danger of Adolf Hitler's aggression and the menace of Japan's expansion. You are impressed by the propaganda which the Government, through newspapers, is headlining. Swayed by a superstitious patriotism, you fear for the future of America. Unreasonably, you join with little men who are warming their idle hands in empty applause for a new Pied Piper of financial trickery. Because you do not see beneath the surface of the new navy bill, you rejoice, whereas, if you were informed correctly, you would rise up to protest. Let me explain:

"My friends, it is an axiom among party politicians that 'the dumb public never remembers.' About one month ago, $550-million was appropriated for the construction of battleships. Probably you have forgotten that. Certainly the majority of you have forgotten the naval appropriation which was levied in 1934. Let me refresh your memory. In 1934—too far back for most of you to remember—Congress actually passed and the President signed, the *Vinson-Trammell Act* authorizing a naval building program of $4-billion.

"Now what happened to this $4-billion?

"Under the *Vinson-Trammell Act*, in four years, there were added to our navy, or are now being built, 141 ships at an estimated cost of $1,443,643,280.

"Of these 141 ships, 72 are not yet completed. It will cost $586,107,367 before 72 bottles of champagne will have christened them in the name of democracy.

"In addition to this $4-billion for these 141 ships, half of which are not completed, Congress again authorized the building of additional ships to cost $2-billion more, making a total of $6-billion.

"Now what does this mean? It means that up to date we have not spent the appropriation of the *Vinson-Trammell Act*. It also means that the other appropriations of $2-billion which were passed by Congress have not been spent. It means that before these two former appropriations ar used, a third appropriation of over a billion dollars will be passed by the House of Representatives this week.

"What else does it mean? Well, be of good cheer. The Navy Department informs us that all the ship building facilities are now engaged trying to fulfill the 1934 and subsequent appropriations. We know that with our present facilities, probably ten years will be required before these ships will be completed; before the navy can begin using the $1,100,000,000 to be voted tomorrow.

"The question then arises: Why should Congress in 1938 authorize another billion dollars for battleships when the navy is not prepared to lay the keels of the ships authorized both by the unspent $4-billion of the *Vinson-Trammel Act* and the subsequent $2-billion appropriations?

"The answer is that the dear people, whose memories never go back further than yesterday's newspaper, were exposed successfully to the propaganda issued by politicians who can't give them a job or a living annual wage, but who can take care of the concentrators of wealth. In other words, the mind of the public has been diverted from local to foreign issues while the concentrators of wealth are prospering by the trick.

"What do I mean by that? To answer that question let us inquire where Congress will obtain this new billion dollars for this new 1938 appropriation. It will obtain it from the same source where the *Vinson-Trammel* appropriation originated—the Federal Reserve Bank. This bank will lend the United States another billion dollars of credit money which it manufactures with the stroke of a pen. In return, the New Deal Government will give the Federal Reserve Banks another billion dollars' worth of bonds bearing interest at approximately 3 percent.

"Meanwhile the proposed addition to our navy is nothing more than a paper defense against a possible foreign invasion and will remain so for the next ten years.

"Supposing Germany, Italy and Japan combined decided to invade America, have you analyzed calmly what would be the requirements of these nations to carry out their plans?

"Granting that this combination of aggressors would have available 500 warships and transports; granting that each ship could transport 2,500 men; granting that all these ships landed their military forces at the same port and on the same day, America would be confronted with an enemy numbering 1,250,000—an enemy without food, without reserve ammunition and reserve forces. America could annihilate that army within a week.

"All the powers in the world recognize that, to attack America, a force of 10,000 ships would be required.

"And what is our conclusion?

"America certainly does not need billions of dollars' worth of blueprint warships unless it is planning to carry on with its foreign entanglements and engage in an offensive war. For national defense we need thousands of airplanes on our west coast and thousands of airplanes on our east coast; hundreds of submarines on the Atlantic and an equal number on the Pacific. This equipment could withstand the combined navies of the world at one-half the cost of cumbersome warships.

"Let me explain further: Does not the American public realize that almost three years ago there was perfected an airplane which requires no pilot to guide it? Last summer I watched these pilotless airplanes maneuvering over Sussex, England. These sky torpedoes are operated by radio so efficiently that they can be directed accurately against any battleship twenty, or forty, or one hundred miles distant.

"No dreadnought, no fleet of dreadnoughts, is a match for this $50,000 invention compared to the $50-million which is the cost to build one of the lumbering targets which we are proposing to construct.

"If it is defense we want, let us build engines of defense. If, under the guise of defense, we are preparing for an offensive war to benefit the merchandizers of murder and the international bondholders, let us be honest in saying so."

Mr. Roosevelt's message to Congress asking for $1,182,000,000 for national defense was applauded unanimously by the members of the House and Senate. These legislative bodies have been applauding such messages for many years. It is to be hoped that this latest appropriation will produce more beneficial results than have former appropriations.

* * *

Food Supply Forgotten

THE BATTLE OF THE MEUSE is in progress as these lines are being written. According to reports, the German forces appear to be moving on Paris, having circumvented Liege and blown to dust the pillbox forts and fortresses in their path. In France millions of men are under arms. They are men not engaged in producing in factories or in fields. Add to them the millions of refugees from Holland and Belgium who are overcrowding the French capital and the countryside south of it. All this is happening at a season when food supplies are at their low ebb.

Norway and Holland which, combined, supplied 60 per cent or more of the dairy products used by England, have been forced to transfer whatever available services they have in this respect to Germany.

That is why both England and France are operating on stringent food rations, just as Germany is operating on stringent oil rations.

* * *

The 'Fifth Column'

AND THEN there is the fifth column. What is the fifth column? In its generally accepted meaning, it is related to spies, paid agents and Trojan horse troops dressed like civilians operating in the territory of the enemy. From experience I know that the numbers of the so-called fifth columnists are swelled by the poverty, unemployment and class conflict within their country.

On my last visit to France, I spent some time at Amiens where men are constantly employed in removing and replacing the priceless stained glass at the Cathedral. I stopped at one of the most beautiful, well-equipped small hotels in northern France. Dining one day with the proprietress, I listened to her story. Her husband, an officer in the World War, had been killed. She inherited the hotel property, which it had been his hobby to beautify with paintings, rare china and silver and tapestries. All this I ad-

(Continued on Page 8)

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Sentiment Increases for Credit to Allies

Agriculture Hard Hit by War; Some Would Risk American Involvement

THE NEWS: Despite the tragic lesson of the World War when American loans to the Allies eventually drew the United States into combat, sentiment for relaxing the Johnson Act and the Neutrality Law is growing in many quarters.

Under the Johnson Act nations in default of former debts are not eligible for new loans. The Neutrality statute embodies a cash-and-carry provision for all belligerents purchasing United States goods.

But this double-edged sword designed to maintain American neutrality is in grave danger of being ground to bits on the whetstone of war-time economic conditions.

COMMENT: For some time British and French agents have been pressuring Administration leaders for extension of credit. A bill has been introduced in the House of Representatives toward that end.

Last week, according to news reports, two spokesmen for the cotton industry approached Secretary of State Hull with the proposal that he find ways and means of circumventing the non-credit laws so the South can preserve its trade with the Allies.

The cotton representatives were L. T. Murray, mayor of Waco, Texas, and general manager of the Texas Cotton Association; and Burris Jackson, chairman of the Texas Cotton Committee.

One can sympathize heartily with the cotton growers of Texas and of the South generally, for their foreign trade prospects are extremely poor. The same applies to growers of other agricultural products, many of whom have been hit hard by the economic effects of the European conflict.

The sharp curtailments of farm purchases by Britain and France, due to their large expenditures for armaments and other factors arising from the war, has cut a wide swath in American farm exports.

Expansion of the war to Belgium and Holland will take a still heavier toll. This was shown last week in a statement by the Foreign Agricultural Relations office of the Department of Agriculture. The report stated that Holland was the fourth largest buyer of American farm products in 1939 and Belgium was sixth largest in the same year. Combined purchases of the two countries constituted approximately 10 per cent of all American agricultural exports.

At this writing those markets appear to be lost at least for the duration of the war.

No one will deny American farmers have suffered losses and will suffer further losses as a direct result of the raging conflict abroad. The risk of trying to salvage their trade with the Allies by granting credits is, however, too great. SOCIAL JUSTICE contends that financial intervention in the war is almost certainly to be followed by armed intervention. A nation will fight to insure victory for its creditors in order to save its own investment. That was proven in the World War.

The situation gives America a choice between two evils: further farm depression or probable involvement in the war. And depression with peace, undesirable though it may be, is preferable to ravages of war.

How Many Readers Know What 'Parity' Farm Prices Are?

ALTHOUGH the word "parity," as related to farm prices, appears practically every day in newspaper stories out of Washington, D. C., relatively few persons know its meaning.

By "parity price" is meant a price for farm products equal to that which prevailed in the base period of 1909 to 1914.

Congressman Clare Hoffman of Michigan recently pointed out several instances in which the New Deal's agricultural program has failed utterly to raise farm prices to the "parity" goal.

"During the base period," he said, "cotton sold for 12.4 cents per pound; the harrow used to cultivate cotton sold for $10.06. Cotton now sells for 9.97 cents a pound; the harrow for $19.75. Hogs then sold for $7.22 a hundred, and the freight rate was 12 cents per hundred, or $123 per car. Today, hogs sell for $4.97 a hundred; freight is up to 17.5 cents per hundredweight, or $142 per car."

Thus in two ways the farmer's position is much worse than in the base period. He *receives lower prices* for his products, but *he pays higher prices* for services, machinery, and other essentials he buys from industry.

Government Pays $6-billion to 26-million

THE NEWS: Every third family in the United States is being supported in some degree by a monthly check from the Federal Treasury, Donald Despain, executive vice president of the National Small Business Men's Association, said recently.

His statement was based upon a study made by the Washington research bureau of the Association. The study revealed that the Federal Government is contributing more than $6-billion annually to 26-million persons in the United States.

COMMENT: If the report is accurate it certainly emphasizes the need for retrenchment in Governmental expenditures. And there is no cause for doubting the statistics offered.

Despain said the report was the first complete itemization of the Federal payroll and was taken from official Government records.

"These figures are taken from official reports and include only the direct recipients of regular monthly payments from the Federal Government," Despain was quoted as saying by the *Chicago Tribune*.

Excluded from the survey were approximately 1,700,000 relief clients supported by state and local governments.

In reading this, taxpayers should bear in mind it is they who carry the heavy load. It is they who stand to benefit through economy in Government. Of course the jobless must be fed, clothed and housed; other necessary expenditures must be made. Waste and extravagance, however, can be eliminated.

F.H.A. Report Shows America Constructive as Europe Fights

THE NEWS: One of the most encouraging signs on the business horizon is the current national upturn in home building.

While the nations of Europe are engaged in the brutal business of destruction of life and property, America is enjoying a rebirth in the building industry.

The *Wall Street Journal* reported last week that mortgages selected for appraisal by the Federal Housing Authority in the week ending May 4, totaled 5,342, an increase of 54 per cent over the same period last year.

"Furthermore," stated the Journal, "new home applications for insurance during April crossed the $100-million mark for the first time, indicating that construction will continue at peak levels for some time."

COMMENT: This cheerful news is an oasis in the desert of a war-torn world. America is building, while her neighbors across the seas are destroying.

More than $305,500,000 worth of mortgages were selected for appraisal on new homes by the F.H.A. in the first 4 months of 1940. This represents a 16 per cent increase over the first 4 months of 1939, and indicates the first 6 months of 1940 should be the most active period in more than 10 years.

Construction of new homes in the week ending May 4 amounted to 3,736—an increase of 816 over that week last year.

The F. W. Dodge Corporation reports that the volume of residential building in April was the greatest since 1929. Contracts awarded in that month totaled about $135-million, a rise of 18 per cent over that period last year. Both family dwellings and apartment buildings in 37 states east of the Rocky Mountains were included in this survey.

It is the belief of many that the splendid efforts of Thurman Arnold, chief of the Anti-Trust division of the Department of Justice, have had much to do with the building spurt. Arnold has carried on a relentless campaign against collusion among contractors, suppliers and unions. In some cities the desired results—lowering of the artificially maintained building cost—has been achieved.

SOCIAL JUSTICE hopes he will continue his excellent work, and that America will continue to remain at peace—to build, rather than destroy.

National Budget Perilously Near to Debt 'Limit'

WASHINGTON, D. C. — The nation is on its last $2-billion!

That's the report of the United States Treasury, which shows that, as of April 30, only $2,114,921,225 remained to be borrowed under the $45-billion debt limitation set by law.

This is precisely the situation that is bothering both President Roosevelt and the Congress at present. Neither is willing to accept responsibility for raising the debt limit. Each realizes, however, that continuing demands of national defense, agriculture, relief, and other expensive budgetary items, sooner or later will necessitate tearing the roof off the debt.

It would appear that the time for firm action on monetary matters is now, before bankruptcy pounces.

House Committee Okays Ouster of C.I.O.'s Bridges

THE NEWS: Unprecedented in the history of Congress, a bill demanding the deportation of Harry Bridges, alien C.I.O. labor leader, has been approved unanimously by the House of Representatives Immigration Committee.

The measure was submitted by Representative A. Leonard Allen of Louisiana, who declared, "We do not want a repetition here of what happened through treachery in Norway, Belgium and Holland."

COMMENT: Whether Congress will do what the Labor Department failed to do is questionable. The C.I.O. influence in Washington certainly will be exerted to save the radical West Coast maritime chief from the ignominous fate proposed by Allen.

Perhaps other factions will oppose the measure on the distorted principle of "civil liberty." In that the bill aims specifically at Bridges, it is singular. But that should not mitigate against its passage.

Abundant evidence has been produced linking Bridges, a native Australian, with the Communist Party. His labor activities, his associations and his public utterances all show his Communist sympathies—if not his membership in the Communist Party.

Previous efforts to rid the nation of this disciple of class warfare have proven futile. Proceedings initiated against him by the Labor Department culminated in a "whitewash."

If special legislation is required to deport such trouble-makers as Bridges, then, as a matter of national defense, that legislation should be carried out.

The Communist Party seeks to destroy our republican form of Government, along with the freedom for which it stands. Bridges follows the Communist Party line and therefore is a menace to the nation.

Usurious Loan Firms in Two States Are Under Probe

RAMPANT in many sections of the nation, usurious money lenders soon may be scurrying for cover in New York and Missouri.

Climaxing the 45th finance company investigation in 3 years, the state of New York recently forced Leo Ritter, head of the Pacific Finance Company, to remit $100,000 to 2,000 persons whom he had charged excessive interest rates.

In St. Louis a state assistant attorney general filed suit against the Universal Finance Company of Kansas City, charging certain loan laws of the states were unconstitutional.

The statutes allow finance companies to charge an extra investigation fee of $1 for each $50 lent, and also a $20 "hazard" fee on automobile loans.

Authorities said they had received complaints that many loan companies had charged interest rates ranging from 65 to 360 per cent a year.

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Inside Washington

End to Freedom Seen in War Finance Plan

Goal Set at $20-Billion Per Year; Civilians Would Pay Out of Savings, Purchases

By Staff Correspondent of SOCIAL JUSTICE

WASHINGTON, D. C.—Upon his recent accession to the Prime Ministry of Britain, Winston Churchill is reported to have said: "I promise you only blood and iron; tears and sweat."

Something of a similar promise for the United States is contained in the message of Jerome Frank, chairman of the Securities and Exchange Commission, who has been burdening himself by figuring out how much it will cost the United States to go to war, and how to pay for it once we are in.

Mr. Frank's thoughts and figures, presented in an address before the War College here, are concerned with the armament budget of the United States as a belligerent. He estimates that it will cost the nation from $15-billion to $20-billion annually to finance a United States war. And the method he suggests for raising these funds should calm the most warlike spirit.

System Not So Easy As It Sounds

Mr. Frank blandly told high officials of the War College that this nation "could set free for the production of armaments $15-billion with relative ease, and up to $20-billion without serious hardship or impairment of the efficiency of the factors of production."

But it is not so "easy" as Mr. Frank says. Here's how it would be accomplished, according to Mr. Frank: First the government would set the big dipper into operation and scoop off $5-billion from the normal savings of individuals. Next another $5-billion could be sugared off by curtailing civilian purchases of autos, refrigerators, furniture and similar items. Then another $3-billion would be realized by cutting down individual purchases of food, clothes, drugs, tobacco, medicines, etc.

An additional $2-billion could be squeezed out of business by curtailing replacement expenses to that extent, according to Mr. Frank's plan.

Would Bring Great Increase in All Taxes

The whole plan is patterned after the so-called "Keynes plan" now in effect in England. The plan is referred to as a "forced loan" plan under which the government confiscates what it needs or desires, and promises to repay it when, as, and if the war ends.

The plan, Mr. Frank says, would take the place of a personal income tax, and might be made payable weekly, instead of yearly. In other words, every week would become income tax week, replacing the celebrated March 15 headache week now observed generally.

Other methods for raising the funds, as suggested by Mr. Frank, call for heavy excise taxes on "durable" goods—autos, construction materials, furniture and the like; increased rates on mortgage loans; increased interest rates on instalment credit.

Social Justice Principles Would Be Scrapped

Now, Mr. Frank's plan is probably the best argument yet advanced for keeping this country out of war. Operation of the plan would violate nearly every one of the 16 principles of social justice.

For instance, the living annual wage would be a phantom; concern for the poor would be impossible; labor's right to organize would be a "paper" right; cost-of-production for the farmer would be a dream, and the cost of living, instead of remaining on an "even keel," would mount sky high.

And if Mr. Frank's plan still seems "easy" in the face of this outlook, remember this: A $20-billion arms budget — on which the figures are based — *is one-fourth of all we are capable of producing.* Great Britain, France and Germany are now spending *half* of all they produce on war. Would we be more fortunate?

It is unlikely. In all probability we too would go half way. We would up our expenditures to $40-billion, and swallow thereby the entire system of free enterprise on which this country was founded.

'They Would Fortify the Moon Against Mars'

"We are all for adequate national defense, but let us not get the jitters. This defense must be paid for by taxation. As was said long ago, 'Permit the warlords to get control then they will fortify the Moon against Mars.' It is human nature. Those in power always want larger Armies and larger Navies to play with. In the end these generally become sprayed and drenched with human blood. Somewhere along the line there will always come an over-ambitious Napoleon. A giant is not always a gentleman."

—Representative Wm. Lemke of North Dakota.

Congressman Would Halt 'Fifth Column'

WASHINGTON, D. C.—Hoping to forestall any danger of "fifth column" treachery in the United States, Congressman Clare Hoffman of Michigan issued a warning last week against employment of Communists in key industries.

Recalling the bitter lessons of Poland, Czechoslovakia and Norway, Representative Hoffman asked his colleagues to realize that a real danger faces this country.

"It is wicked and traitorous," he said, "to close our eyes to the fact that here in America, Communists, whose program is the overthrow of our Government by force, have infiltrated themselves into essential industrial plants upon which, in time of war, our nation will depend for its very existence, and without the successful operation of which it will be destroyed . . ."

Vast Plane Program Good, If Sought for National Defense

THE NEWS: Bent upon driving this nation to world supremacy in the air, President Roosevelt told Congress in a special message on defense appropriations that the United States should build 50,000 military and naval airplanes.

Although this figure stunned Congress, it evoked no immediate opposition. It was pointed out that 50,000 planes represents an air strength greater than that of the Allies and Germany combined.

The plane proposal highlighted the President's message, which asked additional defense appropriations totaling $1,182,000,000. This sum is intended to renew old military equipment, strengthen coastal and other defenses, gear factories for wartime production.

COMMENT: It is obvious by now that America's defense planning has been badly muddled for several years. It has taken the shock of a new and terrible war to shake the defense planners out of their backward mood.

More than two years ago, Father Coughlin broadcast to the nation a general appraisal of the nation's defense system, and defense needs. He suggested at that time, the need of 10,000 airplanes on the east coast, and 10,000 on the west coast, to drive off any possible invader.

He suggested also that, since our arms truly were for national *defense* and not for aggression, that we ease off on the building of giant battleships, and concentrate on submarines; that we build enough submarines to line both coasts.

These suggestions were shrugged off in the manner of that day. Now the need for the realization of these suggestions has broken in all the dramatic suddenness of a crisis.

The time has come for bolstering the nation's defenses, even at great cost. The emphasis, however, must always be on weapons of a *defensive* character. We are not contemplating war abroad. *There is no need for this nation to go to war!*

Obviously the airplane has proven itself a superior weapon of defensive, as well as offensive, war. Obviously, in days to come, the airplane will take precedence over the battleship, although it has not done so to date.

Therefore, let us build airplanes. But let us not be so rash that we spend billions today on airplanes that will be obsolete tomorrow. Let us encourage American factories to expand slowly, so that war's end may not find them over-expanded.

Above all, let us make plain that our program is a program of national defense. President Roosevelt's speech created an opposite impression in at least one quarter. From London it was reported the *Daily Express* carried a story from its American correspondent commenting on the President's message. Here was his interpretation of that speech:

"There is no doubt America is 100 per cent on our side . . . I doubt if there is more than 1 out of 10 Americans in New York or Washington who believes now that the United States will be able to stay out more than a couple of months."

That impression must be corrected.

Congress Firm for 'Stay Out' Policy on War

WASHINGTON, D. C. — Against the crash of "total war" abroad, hope grows hourly within our own Congress that this nation can "stay out of it."

Although plans of major party leaders called for an early Congressional adjournment, this now seems unlikely. Sentiment of Congressional leaders is to stay on the job, at least until the foreign crisis is eased.

The need for increased attention to national defense is calculated to work toward keeping Congress in session. If, however, the conventions of the major parties should disrupt sessions, then it is likely both Houses will recess or adjourn, to return either to complete the session, or for a short, special session.

Meanwhile increased optimism toward this country's part in the war is evident in the capital. It is pointed out that so long as the Johnson and Neutrality Acts remain on the books, they serve as effective insulation from the conflict. It has been demonstrated that the sentiment of the country overwhelmingly favors the Allies. *Yet the same sentiment overwhelmingly favors keeping this nation clear of war.*

Until war fever grips the country, scuttles the Neutrality Act or the Johnson Act, paving the way for "incidents" between this country and a belligerent, then the possibility of war is dim. This takes into account the situation in the Dutch East Indies, where Japan and this country both are desirous of avoiding conflict.

The biggest job facing Congress in this generation is the job of keeping the nation at peace. That Congress is alive to that responsibility is evident in the statements issuing from Congressmen. Representative Wright Patman of Texas, for instance, has this to say:

"It occurs to me that no Congressman should vote for a war that he was not willing to actively participate in himself, and no age limit should exempt him.

"I am personally very proud of the fact that our Neutrality laws have protected us from embroilment in another European war. Other neutrals have lost dozens of ships and hundreds of men in this present conflict, but our nation has not lost, or even had injured, one ship or one man."

Congressman Patman makes the point very nicely. Without "incidents" there can be no war. Under Neutrality laws, we have striven to avoid these incidents, so far with great success.

'Blackout' Shows Propaganda Power

WASHINGTON, D. C.—The power of propaganda was demonstrated effectively here in the national capital's first "blackout."

At 9:30 p.m. of a recent evening, lights suddenly blinked out, radio sets halted abruptly, elevators stopped in hotels and apartments. Soon sirens were heard screaming, and dwellers poured out of houses, attired in nightclothes and peering skyward.

Telephone switchboards were jammed with calls of frightened residents. Police and newspaper telephones jangled with the calls of hysterical residents. All insisted the capital had been invaded from the air.

It was simply an electric power failure in one section of the city, but it demonstrated what war-breeding propaganda can do to the minds of reasonable men.

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NATIONAL WEEKLY

Social Justice

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LOUIS B. WARD, *Editorial Director*
E. PERRIN SCHWARTZ, *Editor*

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.
Just living annual wage.
Nationalization of important public resources.
Private ownership of all other property.
Control of private property for public good.
Abolition of Federal Reserve Banking System and establishment of a Government-owned Central Bank.
Restoration to Congress of its sole right to coin and regulate the value of money.
Cost of living maintained on an even keel.
Cost of production plus a fair profit for the farmer.
Labor's right to organize.
Recall of non-productive bonds.
Abolition of tax-exempt bonds.
Broadened base of taxation on basis of ownership and capacity to pay.
Simplification of Government and lower taxes.
Conscription of wealth as well as men in event of war.
Sanctity of human rights preferred to sanctity of property with Government's chief concern for the poor.

Old-Fashioned Americanism

THERE ARE some 14-millions of Americans of all races who are foreign born. More than 11-million of these come from war devastated Europe.

Naturally, for the most part, they hold a God-given sentiment and devotion for the homeland. Their children frequently find parents on one side or another of the belligerent European situation, and though but a generation removed, are frequently prone to assimilate a neutrality of spirit as well as expression.

But what about some 115-millions of Americans who are American born? This is their land. The founding fathers of the nation had in their hearts a deep and abiding patriotism, a love of country which no man doubted.

Three generations later when a cruel Civil War temporarily divided this nation, both the Blue and the Gray represented an ardent patriotism whether it attached itself on the one hand to the state or on the other to the nation.

Even in the last generation, the songs sung in the home, grand old American patriotic hymns, were repeated far and wide across all the land voluntarily and enthusiastically.

Today, the mind and heart of Americans seem to have gone abroad. Every radio news bulletin, every press headline, proclaims the fact that the mind of America is centered upon the cataclysmic European tragedy.

Why quit our own to "think" on foreign soils, to become mentally engulfed in the ocean of European troubles, while our most momentous problems of the hour are not the recurrent factors of a European war but, rather, the domestic problems involved in the security and the enlightenment of the average American family?

War's first casualty may be truth, but its last and final casualty is always the "Slough of Despond" from which the human mind will grasp at any philosophy, erroneous as it may be, if it offers but a straw under the name of security.

Let the 115-million American-born Americans return mentally from their "Grand Tour" of European battlefields to the internal war against poverty, idleness and false philosophy, the three great aggressors which actually imperil this fair land.

Politicians' Opportunity

THE NATIONAL debt has reached its legal limit, $45-billion. The state and local government debt has passed the $20-billion figure. Private debt combined with the total Government debt makes the nation well nigh insolvent on today's low values.

The President of the United States has taken the occasion of Germany's entrance into Holland and Belgium to pass on to the Congress a recommendation on national defense and the problem of financing that program.

Year after year our Departments of War and Navy have brought to Congress their recommendations of an adequate national defense program. Congress has been generous in meeting these recommendations.

Now, we learn, all of a sudden, that we are miserably equipped on land, on sea and in the air to repel an invader.

What has happened to our intelligence service? What has happened to the close and intimate relationships in the so-called "democracies" that out of them we could not have learned of our necessities? What has happened to those responsible for the national defense if the people have been fooled and we are left open to invasion?

If the press propaganda reflects the actual conditions, inefficiency and blundering—so pronounced as to approach the spirit of treason — have left our beloved country open to external aggression.

Or, perhaps, the "merchandizers of murder" have simply laid down a remarkably efficient publicity program!

Naboth in the Vineyard

THE TWENTY-FIRST chapter of the *Third Book of Kings* tells us the story of Naboth, the Jezrahelite, who owned a vineyard near the palace of Achab, the king of Samaria. When Achab decided to possess the vineyard so close to his palace he offered Naboth a better vineyard for it or offered to purchase the vineyard at its worth in money.

Naboth refused on the grounds that the vineyard was the inheritance of Naboth's fathers.

Jezebel, wife of Achab, promised her husband to deliver to him the vineyard of Naboth. Her plan was simple. It was merely to suborn perjurers who would testify that Naboth had blasphemed God and the king.

Naboth was brought before the judges, the false witnesses bore testimony against him and he was stoned to death.

Achab simply took possession of the vineyard.

This is an old, old story, illustrating not only the nature of aggression but the horrible fact that aggression is, sometimes, temporarily profitable.

We are prone to regard war as utterly destructive and non-productive. The plain truth is that war and aggression have built the empires of the world from the dawn of history till its sunset. War is non-productive, but sometimes only for the vanquished. Hitler has found it productive.

The neighboring vineyards of Austria, Czechoslovakia, Poland, Denmark, Norway and Holland have, one by one, been obtained by the modern Achab who, in practically every case, offered what he considered a fair price but, being refused in practically every case, on the grounds that he was asking for an inheritance from the fathers, he summoned the false witnesses to testify, he suborned the perjurers and then took over their vineyards, paying nothing.

From Naboth's day to the day of Wilhelmina, war counts its profits and its losses.

Frenzied Finance

ECONOMISTS have long commented on a fundamental difference in budgeting our individual expenses, or the expenses of our private corporations, and the budgeting of Governmental expenses.

In the case of the individual or the corporation, a certain income must be anticipated and living within that income becomes the sane rule of life. The unanticipated and the emergency expenses commonly violate ordinary budgetary plans and throw us into the hands of the money lenders and into the bankruptcy courts.

It is the high prerogative of Government, however, to spend precisely what it desires to spend and to seek out the taxpayer, or the money market, to make up the deficit.

Sometimes even Government is limited as is the example of the United States with its $45-billion debt limitation. Facing this debt limitation now, the President has suggested the restriction of capital allotted to the Federal Corporations.

He reaches into the Reconstruction Finance Corporation for $175-million; to the Home Loan Banks for $125-million; to the Federal Land Banks for $100-million; to the bank for co-operatives, $60-million; the Public Works Administration, $50-million; the Federal intermediate credit banks, $40-million; the Federal savings and loan associations, $35-million and the Production Credit Corporation, $15-million. A total of $700-million is to be paid back into the Treasury out of capital funds granted by Congress in the last few years.

Because the Federal corporations have not the cash to turn back to the Treasury, it was at least interesting to inquire the source of the money to be returned. The answer was easy: ***"Let the corporations borrow from the public for their securities do not count in what is commonly known as the public debt."***

War and the Average Man

WHEN A NATION goes to war the war is financed in two ways; namely, by taxation and bonds.

The bulk of taxation now comes in the form of consumer taxation and, of course, the incident of that taxation rests heavily upon two classes, the farmer and the laborer.

The taxation is two-fold; namely, for current expenses and for the years to come for debt service.

In financing through borrowing it is a simple historical fact that interest, almost always, exceeds the principal payments.

What does this mean to the farmer and the laborer? It means that he pays for the war. He is victim, first, because in proportion to his wealth an unjust burden falls on him in the nature of consumption taxation. The wealthy eat little more, smoke little more and, possibly, drink little more than the poor.

Consumption taxes fall heavily on the slender income of the farmer and the laborer, but this is the least important part of the picture. It is only the wealthy today who can buy the bonds of a nation at war. For the years to come the debts will be serviced by continued consumption taxes while the interest will be siphoned off from the farmlands and from the laborer's slender means into the pockets of those who have plenty.

Thus, war is in itself the great concentrator of wealth as long as taxes are still borne on the backs of the poor and as long as the rich seek their "bite" in the form of interest on war bonds.

Behind The News

U.S. Always Has Been Alone

SOCIAL JUSTICE, at the risk of overdoing a good thing, again yields to the temptation to quote from Mr. W. K. Kelsey's column "The Commentator" in the *Detroit News*.

"One of the queerest ideas, it seems to the Commentator, is that the British and French fleets are, have been, or will be, a protection to the Western Hemisphere against attack by a European enemy.

"We have not now, and never have had, any treaty with Great Britain or France which obligated those nations to come to our assistance in case we, or any Latin-American republic, were attacked. And it is as idle to count on such aid as it has been idle for Britain or France to rest assured that if Germany broke loose, as she has broken loose, they could count on the military help of the United States—which they are not getting.

No Love for Yankees

"There seems to be a notion that we are loved by the British and French. Why try to fool ourselves? Ever since the World War, the United States has been drifting away from those countries, and they from us. They resented our refusal to join the League of Nations. They called us 'Uncle Shylock' when we demanded that they pay their war debts. When we have suggested common policy and action, as in Manchuria, they have found excuses for not co-operating. When the present war broke out, they sprang the defense of democracy arguments on us, and were grieved and more than a little angry when we did not fall for it immediately.

"A Conservative member of Parliament who had lucrative American business connections once said to the Commentator: 'What the United States needs is a good licking.' He was friendly to America and Americans, but he thought we were sitting too high—occupying the position to which Great Britain was entitled.

Why Not Make Friends?

"We are now being told that because Britain and France may be defeated in this war, we are in grave danger, because we have a one-ocean navy, and the Germans and the Japanese can gang up on us and attack us from two sides. What has prevented them from ganging up ere now? The British and French fleets? Permit the Commentator to doubt that argument. There has been no assurance whatsoever that the British and French would aid us in such a contingency, and if our governors have counted on such aid, without a treaty or alliance, they have been silly.

"If our Government now fears such a hook-up between Germany and Japan, the sensible thing to do, it would seem, is to make friends with Japan, instead of persisting in needling her every few days. We have revoked our commercial treaty with Japan, but have not ceased trading with her. The way is still open for an understanding with her; and if we can avoid a first-class war by making it, why not do so? Having refused war when our danger was less, why provoke one when it seems greater? That just doesn't make sense."

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Youngest Defendant Denies Plot Charges

Boy Scout Alumnus, 18, Tells of F.B.I. Raid on Home; Testimony of Other Defendants Involves W. G. Bishop, Mystery Man in Conspiracy Case

By Staff Correspondent of SOCIAL JUSTICE

NEW YORK, N. Y.—William H. D. Bushnell, who graduated from the Boy Scouts of America into what the Government alleges to have been a "group advocating the overthrow of the United States," engaged in a lively two-day verbal exchange with prosecution attorneys, as he took the stand last week in his own defense in the Brooklyn sedition trial.

Assistant U.S. Attorney James D. Saver at one point insinuated that the "organization" to which Bushnell and the other 13 defendants allegedly belonged was actually the "Fifth Column."

Bushnell, 18 years old last November, and a descendant of one of America's oldest families, indignantly denied the prosecutor's allusion and added that not only did "the organization" have no name, but that it was not an "organization" at all but merely a lecture group.

Mr. Saver then produced some papers showing that the defendant had applied for work at various airplane factories.

"Did you apply for these jobs in order to try and sabotage United States airplane production in time of war?" the U. S. Attorney demanded.

"I did not," Bushnell vigorously replied.

"Well, why did you want to work in aviation plants?" Saver continued.

"Is it a crime to try and get a job?" the young defendant flared back.

Scores Treatment By F.B.I. Agents

Previous to his cross-examination by the Government, Bushnell recounted a colorful story of his arrest by F.B.I. agents, in reply to questions put to him by his attorney, Leo Healy.

"I was in the dining room of my home, helping my father make a revolving holder for my mother's spools," Bushnell related, "when two agents rang the doorbell. After I had let them in, another agent came in through the window. They searched the house, took a Civil War sword given to me by my grandmother from under my bed and carried away a toy wooden pistol."

When Mr. Healy displayed Bushnell's sword and pistol to the jury a burst of laughter swept the courtroom and Judge Marcus B. Campbell was forced to warn the spectators to desist from making any demonstration or be barred from the room for the remainder of the trial.

When quiet was restored, Bushnell then told how he had had to direct the agents from Brooklyn to their headquarters in Manhattan. At the F.B.I. office, the defendant continued, "the agents formed a semicircle around me and questioned me all night and the next morning." Once, he revealed, a G-man returned from another room and told him that the other defendants had confessed that he, Bushnell, had planned to do all the bombing.

"That's an old trick," Bushnell said he told the agents. Thereupon, the defendant said, G-men reproached him for "reading too many detective stories and going to too many movies."

Charges Agent Threatened Him

After being subjected to a long, wearisome examination, Bushnell related, he had signed a statement concerning his activities at the request of the F.B.I. agents. Later, he recounted, an agent had visited him in prison and asked him to sign another statement. When he refused, Bushnell testified, the agent told him he better change his mind or the District Attorney would be "informed that he had been of no help and would consequently give him the works at the trial."

Bushnell admitted he had made a partially completed bomb for William Gerald Bishop, the foreign-born mystery man in the case, but said Bishop had laughed at his product and had declared it "wasn't even fit to be used for a Fourth of July celebration!"

Bushnell sternly denied that either his bomb or the soup-can bombs made by a few of the other defendants were to be used to start a revolution.

He also denied that Bishop or any one else had ever said in his presence that it would be necessary to seize the Government of the United States, capture the public utilities or transportation systems in the big cities or incite the Jews to revolution. The group's whole purpose, Bushnell concluded, was to prepare to aid governmental authorities suppress an expected Communist revolution.

National Guard Captain Denies Plot

Other defendants who took the stand last week supported Bushnell's testimony. Captain John T. Prout, Jr., who had served more than ten years in the New York National Guard, said that among the few defendants he knew none had ever talked about a plot.

John A. Viebrock, the second defendant to testify, introduced a new angle in the case when he asserted that after the defendants had quarrelled in November over the proper policy to be followed in regard to the Communists he had remained with the Bishop faction at the orders of John Cassidy.

Every week or so, Viebrock stated, he would report to Cassidy concerning the activities of Bishop, who had been suspected of having Communist or German connections. The purpose of his investigation, the defendant declared, was to find out whom Bishop really represented and then to turn over his findings to the authorities.

Viebrock also threw more light on the actions of Denis Healy, the Government's star witness and F.B.I. informer, who, defense lawyers charged, had deliberately tried to incite the defendants to commit crimes. During the trip to Narrowsburg, N. Y., Viebrock testified, Healy had started a near riot at a road house by insulting couples at the bar and on the dance floor.

Viebrock further stated that at several times when the defendants were supposed to have been plotting to take over the Government, they had actually been dancing, bowling, brawling, playing ping pong or singing. At Narrowsburg, he said, every one was "plastered." Bushnell bore out Viebrock's statements and admitted that one Saturday night a few of the defendants had even danced with each other.

Defendant Macklin Boettger, who took the witness stand at the weekend, told of another trip the defendants made, this time to Hazelton, Pa., where they shot at targets with two guns (one of which broke during practice) on the estate of a Captain Saul, a friend of Bishop.

It was at Hazelton, Boettger stated, that the question of powder and bombs first came up. After being warned by Captain Saul not to shoot so near his house, Boettger said, he and Bishop found an ideal site for a rifle range on a rough, tree-covered incline on the outer edges of the estate.

According to Boettger, Bishop suggested that they get some black powder and *blawst* (the defendant particularly emphasized Bishop's alleged English accent) away the trees. A few of the defendants, Boettger continued, had made plans to return to Hazelton in January equipped with home-made bombs for this purpose, but their schemes had been cut short by their arrests.

In other parts of his testimony, Boettger recounted the discussions on philosophy, pantheism, monism and other subjects, which Bishop had made to the group meeting weekly in Boettger's house.

Spectators, lawyers, jurymen and even the Judge had to smile as Boettger explained the various books and pamphlets that Bishop recommended as required reading. The list included everything from the *Bible* to an obscure work named *"Adam Weishaupt's Five Abolitions."*

It's New, Only If One Didn't Know It!

BALTIMORE, MD.—Soviet scientists in far off Siberia made a great "discovery" when they experimented and found that refrigerated human blood could be used in transfusion operations without the usual 30-minute delay.

In Khabarovsk there was great rejoicing at the news that Russian science had stolen a march on *bourgeois* medical savants in America and other capitalistic nations.

In fact the discovery was roundly hailed until news of it was cabled to this country. Then it was announced blandly by authorities at Johns Hopkins hospital here that the identical "discovery" was made in this country two or three years ago, and that American hospitals have been using cold-blood transfusions ever since.

Hits at Undermining of Youth's Faith in Private Enterprise

ROCHESTER, N. Y. — College professors, engaged in chipping away at popular faith in the system of private enterprise, are doing a disservice to youth, according to Langbourne M. Williams, Jr., president of Freeport Sulphur Co.

Addressing a Rochester University forum on New American Frontiers, Mr. Williams contended that although the land frontiers of the West have passed away, new frontiers are opening up in science and industry.

Mr. Williams scored the professorial "prophets of doom," engaged in breaking the hope of youth by preaching "economic defeatism."

"The most important thing in any business enterprise is the men in it," Mr. Williams said. "Now, if this raw material graduating from college starts out to fit into a private enterprise and it does not believe in the system of private enterprise, then it seems to me very clear that that raw material is not properly adapted for the job."

New York Is Like a City Gone to War

Flood of Propaganda Has Swept Neutrals Into Popular Disfavor

By Staff Correspondent

NEW YORK, N. Y.—In the last fortnight this city, the largest in the Western Hemisphere and the most powerful financial center in the world, has virtually declared war against Nazi Germany.

Submerged in the flood of Allied propaganda pouring in from abroad by cable and radio, millions of New Yorkers stand bewildered as municipal officials, Park Avenue millionaires and newspaper and radio station owners bombard them with hysterical appeals for intervention in Europe on the side of the Allies.

Already, the *New York Herald-Tribune* has urged the immediate entrance of America into the war in a flaming editorial entitled *"What Real Preparedness Means."*

On Wall Street the market rises 1 to 10 points on news of Allied victories and sinks to 2 to 20 points when the Germans make gains.

Already, debutantes and society dowagers have founded so many Allied relief societies that the *New York Daily News* suggests the formation of a clearing house to take care of all the gifts of articles and money now flowing overseas.

Some 1,500 Americans stood and toasted His Majesty, King George VI, at a banquet of the English Speaking Union, in the Hotel Waldorf-Astoria. Later, J. P. Morgan, one of the guests, posed for a picture with Lord Lothian, the principal speaker.

Typical of the inciting war propaganda now being dished out to citizens is the following "news" dispatch from a foreign correspondent which appeared on the front page of the *New York Sun*, May 16: "This French Army and its British allies are all that stands between humanity and chaos. In the midst of what is probably the greatest battle ever fought . . . in which defeat would mean the end of all human liberty . . . in which 2,000 years of Christian civilization is staked on victory . . . it is impossible to do more than relate what has happened before my very eyes."

Meanwhile, the war frenzy is increasing by such leaps and bounds that anyone who openly argues that America stay at home and take care of its own destitute and unfortunate is in danger of losing his job.

This correspondent has personally met several people who have been ousted from their positions because they urged against America's entrance into another hopeless crusade to save democracy.

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Comment...

(Continued from Page 3)

mired openly to my hostess. Tears came to her eyes as she recounted to me the glories that had been. It was not possible to make money operating a hotel. The depreciation of the franc had decimated her small fortune. Three times during that year her taxes had been raised by the Department. There was nothing left for her to do but to give the hotel to the State.

This valiant French gentlewoman hated war and the war-mongers, whether they lived in France or America or Germany. Yes, she vowed to campaign, not against the Germans but against the international war-makers.

Over a cup of coffee, there and elsewhere as I traveled through France, Belgium and Holland, I learned of the presence of a fifth column that was alarming.

There is a potential fifth column in the United States composed of the unemployed, the hungry, the homeless, the tax-burdened, to say nothing of the Marxists who work in our factories and worm themselves, betimes, to the top jobs in labor organizations.

* * *

The Ave Maria On War Mongers

Our Contemporary, *The Ave Maria* for May 18, 1940, prints the following relative to the fifth column (p. 612):

"The Dies Committee stated recently that the Communists are more firmly entrenched in this country than the Nazis were in Norway when they virtually handed that country over to the Germans."

This publication also has a word for the war-mongers, which I will pass on to you. Here it is (p. 611):

"The war propaganda has been turned on in full force in the East, and although none of the propagandists believe it prudent at this time to suggest sending an American army to Europe, they are leading up to it step by step, being very careful not to overreach. Let us quote to illustrate: Nicholas Roosevelt, former American Minister to Hungary, said, 'That the United States should take its position with those nations which are fighting the forces of international gangsterism is, it seems to me, no longer open to question of doubt. We cannot sit by in smug isolation and say that the outcome does not concern us.' (Will Mr. Roosevelt go to war? He will not.) Jules S. Bache, New York financier, says this: 'Probably the Allies can defeat Germany themselves, but if they fail, the United States will have to help them.' (Will Mr. Bache go to war? He will not.) Henry Breckenridge, formerly of the War Department, tells us: 'If Hitler makes one move to touch Iceland or Greenland, the United States should occupy them and loosen its air power upon the Nazi bandit. (Would Mr. Breckenridge go to Iceland with the troops? He would not.) Robert Sherwood, the playwright, says that there is an awful conspiracy of silence in Washington. He calls it 'peace hysteria' and describes the United States as an ostrich. Bishop Lawrence of the Episcopal church rebukes to the effect that we talk of ourselves as a strong nation but we are afraid to defend the principles upon which our nation is founded. Lawrence Hunt, New York lawyer, assures us that the United States will eventually enter the war on the side of the Allies despite the Communist propaganda (a rather ambiguous phrase). Bishop Manning and Anne Morgan, sister of J. P. Morgan, both made speeches on the necessity of our entering the war. Will any of these people go into the war themselves? They will not. They will watch the rank and file of American boys driven into another European slaughter while they prate about saving civilization."

Miss Thompson Advises G.O.P.

Writing From Paris Dorothy Thompson, whose pen performed valiant service in behalf of the Loyalist-Communists in Spain, contributes the following gem of wisdom to her dear public:

"The greatest thing, it seems to me, that the Republican Party could do now for the nation it has served so often and so magnificently, would be to announce, and as quickly as possible, that if the President will accept a third term, it will offer no candidate in opposition to him, but will offer, instead, only a vice presidential candidate."

So Miss Thompson, together with others of her class, has started her campaign to perpetuate Mr. Roosevelt in office.

We are not at war. We are not planning a war. Professedly, we are simply engaged in perfecting national defense. That is not a difficult job to perform, with our fine equipment, skilled mechanics and abundance of raw materials. Why, therefore, take this thompsonian step that leads a nation into the ditch of dictatorship?

* * *

National Defense Against Depression

Those of Us who permit ourselves to become partisan in the world war now in progress are making a mistake. I refer to those who damn the English or the Germans, the Poles or the French, the Italians or the Russians. It is my observation that there are good nationals under any flag. The majority of persons in every country hate war just as much as do we. They are not responsible for it. They are merely the pawns who are moved about the checkerboard of diplomacy. Let us love all peoples. Let us sift out the propagandists who try to turn us against any people.

It is peculiar how agitated we become at the mere mention of national defense. We will appropriate money to operate factories on a 24-hour basis to build airplanes and manufacture munitions.

Was it impossible to arouse our Government and people to fight the internal enemies of exploitation, starvation, foreclosure, taxation, unemployment?

If we are a sincere people—and I think we are—it will behoove us to defend ourselves from these internal forces which will destroy this nation more speedily than could the combined armies of Europe and Asia.

A government that could not liquidate these enemies in the days of peace cannot, in my judgment, successfully oppose foreign enemies in the days of war.

* * *

A 'Monroe Doctrine' In the Pacific?

Mr. Ludwell Denny, a Scripps-Howard staff writer, reveals in *The World-Telegram* the manner in which we are possibly being edged into the back-door entrance of a world-wide conflagration by way of the Dutch East Indies. Commenting upon the broad interpretation which the Chief Executive now gives to the *Monroe Doctrine*—so broad that it leaps across the Pacific Ocean—Mr. Denny says:

"So the President, in order to permit Britain and France to occupy those islands, resorts to a new interpretation of the *Monroe Doctrine*, because it is with the consent of Holland and does not constitute a change in sovereignty.

"That convenient interpretation would fly back and hit us in the face if Germany or Japan ever induced a Latin American government to invite similar protective occupation — not a future impossibility by any means. Already, of course, Hitler through his press has noted and challenged this new interpretation of the *Monroe Doctrine*.

"But the more immediate danger is that the Allies and President Roosevelt will apply a similar interpretation to the Dutch East Indies. Would British-French occupation of the Dutch East Indies, with Holland's consent, change the *status quo*? According to the Washington-West Indies precedent it would not, but according to the Japanese controlled press it would.

"This is typical of the unpredictable and dangerous conflicts which jeopardize the already seriously strained American-Japanese relations as a result of the Roosevelt pro-Allied policy.

"While the American people in popular polls vote overwhelmingly and hopefully against involvement, and Republican Presidential aspirants pledge that our defense shall be limited to this hemisphere, the United States is already involved in war danger in the Pacific."

* * *

Rulers and Ranters

The *London Catholic Herald* in bold type, prints the following:

"Speaking to a vast concourse of pilgrims last week the Pope indicted the prophets and rulers of nations for losing peace through their abandonment of God. He blamed two kinds of rulers, those who have actually driven God from their countries and those who have turned their backs on the Christian civilization of the past to steep themselves in ancient paganism and modern idolatry."

Indeed, His Holiness has reason to blame both types of rulers—the godless type such as Stalin, and the anti-Church type such as Hitler; the naturalistic type such as the rulers of most of the so-called democracies and empires.

It is remarkable that the nations engaged in war at present are naturalistic in their governments. Consequently, he who affirms that this is a "holy war" with God on one side and anti-god on the other most certainly has chosen a difficult thesis to defend.

While consistency is a jewel, the inconsistency of the *Catholic Herald* of the same issue, in its editorial entitled "Spain's Anniversary," is remarkable. This editorial says, in part:

"Spain, indeed, owes little to the democratic powers which so misread the meaning of her struggle, but that in itself is no excuse for a Christian to fail to perceive the great rights and wrongs of the world issue today. Whatever Spain may think of us, she should only think one thing of a German aggression; a German breach of the pledged word; a German maltreatment of a great Catholic race, so clearly condemned by the Pope himself . . . "

To our mind, Spain is righteous in keeping herself free from involvement in the present war.

Certainly, Germany has been an aggressor. But, so has England!

Certainly, Germany has breached her pledged word. So has Great Britain.

Certainly, Germany has maltreated a great Catholic race. So has Britain.

It is a pity, omitting the specifics at the moment, that certain editorial pens are so dulled during these crucial times. And it is regrettable that perfervid nationalism warps the minds of those to whom the public looks for direction. When such is the case, it is liable to be regarded as ranting.

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Spheres of Influence

A New Series of 'Untaught History' Which Will Discuss Changes in Balance of World Power

By **LOUIS B. WARD**
Editorial Director of SOCIAL JUSTICE

PART ONE—An Introduction

STUDENTS of world history are schooled to understand the rise and fall of empires.

The American schools habitually study the ancient civilizations consisting of the Egyptian, Babylonian, Medo-Persian, Greco-Macedonian and Roman. The students then are presented with the story of the barbarian invasions of Rome, the misinterpretation of the so-called "Dark Ages," and then enter upon a superficial study of modern history with the rise and development of the present European States and Empires, leading into an emphasis upon a period of discovery, exploration, settlement and development of our own beloved country.

In this study, as traditionally presented, the typical college student faces great voids. If, for example, some "Professor Quiz" would meet this June the graduates who had majored in history and, in a series of questions, ask them to tell us the story of peoples who have walked the road "From Long Ago to Now," he might find that the vast populations of the Orient, of India, of Africa, of Russia and of South America, were little understood by even our most cultured.

Out of nearly 2-billions of people, nearly 600-million in the Orient, nearly 175-million in Russia, approximately 350-million in India, most of Africa and practically all of South America constitute an unknown book, so that the story of two-thirds of the people of the world remains virtually unknown to the average student.

History Is Studied as World Politics

The student's work is not to be disparaged. In the philosophy of history there is no necessity of approaching the subject via populations. The tradition has been to approach history from the point of view of the major contributions to civilization.

There is no quarrel with this point of view. Certainly, Athens with 50,000 freemen undoubtedly influenced the history of the world, and particularly the Western World, more than did the millions, or even billions, that have lived from that day to this in other areas.

The average student has had firmly fixed in his mind, we repeat, the story of the world empires and has understood that, following the ancient, classic empires, profound economic and social changes prepared the way for the modern empire.

The average student has studied not only the course of empire but has a fixed conception of nationality. He has watched the struggle between empires and nations, between nations and also between empires themselves. He has seen the statesmanship of old Europe trying out political devices, such as power politics on land and power politics on sea. He has witnessed alliances to protect the fundamental policy of modern centuries, He has witnessed the rise and growth of "Spheres of Influence" over a century ago. He knows well the story of the *Monroe Doctrine,* a policy enunciated for the Western hemisphere and limited to the political sphere.

World Divided Between Autarchy and Communism

Recently, great changes have come over the face of the globe. The rivalry of nations, the battle between supremacy on the land and supremacy on the sea and the almost constant state of war—dictated by that rugged individualism which first was marked by the struggle of individuals for economic supremacy and latterly marked by the struggle for the control of the State—found its ultimate phase in the wars among the nations.

These were commercial wars or economic wars, if you will.

The World War brought to the attention of the peoples of the world certain factors.

The first was a sea power so strong that it could blockade Central Europe and starve successful armies into submission. No military victory was necessary. No naval victory was necessary. Behind the lines, the civil population, through starvation, could dictate a peace which neither admirals nor generals could win. This drove the other powers of the world to a defensive mechanism called *autarchy,* or economic self-sufficiency.

The second factor was, of course, Communism. Marxism philosophy could capitalize the deficiencies of modern capitalism and stark, atheistic Communism was acceptable wherever the errors of modern capitalism had run their full course to the destruction of a people.

Powers Aligned in New Spheres of Influence

There is a new thought abroad in the world. The days of classical empires of antiquity have gone. The days of "balance and power" have proved the hopelessness of political alliances.

SOCIAL JUSTICE herewith begins a new series of articles entitled, "*Spheres of Influence.*" It is intended to be a practical commentary on the fundamental changes contemplated in the economy of nations. The series will discuss the leading world powers as they have attempted the political and economic reconstruction of the world.

Communism is proving as attractive as the doctrines of the devil usually prove in this Kingdom of the World.

There is a way out, as there always was a way out of difficulties. That way is the philosophy and teaching of the principles of Christianity and Christian social justice. That implies the return to the Faith of the Fathers.

Yet, the world is little interested as apathy is the habit of the world. Only for a few centuries would it accept these principles. These were the centuries of the Ages of Faith. Now men call those ages, "Dark Ages."

In the meantime, these factors have caused statesmen to turn away, from the old lure of empire, of balance of power, of commercial rivalry, to a new principle of autarchy, or economic self-sufficiency, carried into a new political sphere which we shall call for the purposes of this series of articles: *"Spheres of Influence."*

(TO BE CONTINUED)

The Federation of European Nations

By **LEON HAMILTON**

PART TWO — Lord Lothian's Plan

WITH THE UNQUESTIONED sentiment of the American people against foreign entanglements and wars, any suggestion that the United States join in any Federation of Nations would be overwhelmingly rejected. But the hope of various "internationalists" in this country is that the American people may be persuaded to accept the idea.

Propagandists will attempt to persuade both major political parties in their national conventions to insert a plank in the party platforms which would pave the way for this country's entrance into this much-advertised "new world society." This movement is well propagandized and it has strong support in educational, diplomatic and financial circles.

Although the internationalists have suffered successive disastrous defeats in the American people's refusal to join the League of Nations, to enter the World Court, or to become involved in other foreign entanglements, they have never abandoned their fight to make the United States a member of the League and, thus, a new opportunity will be presented when World War No. 2 winds up in an explosion which may shatter culture and civilization in Europe and threaten culture and civilization in America. In fact what is proposed is just that ***the United States become a member of the League of Nations under some other name!***

No Mere Confederation Proposed This Time

The propagandists for a European Federation take great care to point out that "confederation" and "federation" are by no means the same thing. They point out that the League of Nations, just because it was a confederacy, was a failure. Furthermore, the peoples of the world generally are dead set against "leagues," for they think immediately of the League of Nations.

Confederations are unworkable, they say further, because the unit is still the individual State and not the individual citizen. On the other hand, we are told that the permanent or true "federation" demands that the component State definitely surrender its national sovereignty.

This means, that under the proposed Federation of Nations the citizens of the individual States would have their personal representatives in the Central or Federal super-government. This central European "Washington" would be supreme in all matters pertaining to the continued existence of the federation. The Federation, what is more, would be endowed with the power to tax.

Now, it is difficult to see where such a federation would put an end to totalitarianism; for it seems that the supra-national State would, of its very nature, be totalitarian and dictatorial. Americans can understand this objection; America retains her democratic form of Republic simply by the reality of sovereign and independent federated States. Any time our Federal Government begins to encroach upon State's rights, the Government would strike a death blow at democracy and the Republican form of government and veer towards totalitarianism.

Idea Complicated by Race Problems

Furthermore, a European or a World Federation of States would be confronted with the insuperable obstacle of dealing with different nationalities, races, philosophies, cultures and civilizations—factors and forces which cannot be destroyed by sublimating them into a Utopian ideal called World Government, World Finance and World Police Force. These factors and forces are deep-seated in human nature—and, in fact, so deep-seated that nations are created by them and for them, and consequently they cannot be submerged in any World State ideal.

In a recent address delivered before the Pilgrims Society in New York City the Marquis of Lothian, British Ambassador to the United States, said that "some form of economic federation, perhaps even of political federation, at any rate for a part of Europe, is a necessary condition of any stable world order."

Lord Lothian's address in Chicago, delivered to the Council of Foreign Relations, amplified the Ambassador's exposition of the British conception of a United States of Europe.

Lord Lothian said that such an ideal of peace presupposed great changes in the social structure of all countries and changes in international relations. It must have as its object the organization of the democracies in such a way "that the general standard of living will be so stable, the volume of unemployment so small, the freedom of the individual so secure, and the guarantees against war so strong, that the Totalitarian systems, if they survive, will begin to disintegrate gradually by the impact not of our armies but of 'our example.' "

Lord Lothian Outlines Principles of Union

Lord Lothian even made so bold as to suggest that the nations must recognize these four principles:

1. Restoration of stable international currencies on a common base. (That is, an international monetary

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What Is Usury?

By FATHER COUGHLIN

CANON ARTHUR JACKMAN, pastor of Holy Rood at Watford, England, graciously and regularly supplies me with his parish pamphlet.

For the edition of December, 1939 (No. 12, V. 2) Canon Jackman (who served as secretary to the late Cardinal Bourne) prints an appropriate article on *"Churches and Usury."*

Having read the article, you will applaud it. However, a major question will present itself to you following its reading. Like a ghost, it will haunt you. It is this: What is usury?

Certainly, there is a dictionary definition for the word "usury" — a definition coined, probably, by children of an usurious age.

And there is a theological definition for usury which is rather difficult to find fully explained even in some moral theologies.

Is usury identified only with the vice of charging too much interest on a financial loan?

Or, is it usury were a farmer to loan 50 bushels of wheat to an impoverished neighbor and to charge him 10 or 20 or 30 bushels of wheat interest?

Is it usury were I to loan you a thousand dollar counterfeit bill—so well counterfeited that it would escape detection—and demand that you return me a thousand dollars on the due date plus 3 per cent interest?

Is it usury were I to take advantage of your absolute necessity and loan you money at any interest?

Is it usury were I to loan you money for a non-productive purpose—to dig shell holes and destroy cities—and charge you interest thereon?

Is it usury were I to loan you a thousand dollars for a destructive purpose—to purchase a gun to kill an innocent man and charge you interest thereon?

What is usury?

In olden days, when gold and silver were the medium of exchange, bankers were men who owned strong boxes.

The ordinary citizens without strong boxes deposited their precious metal with them for safekeeping at a charge. Because it was dangerous to carry gold about one's person, the private citizens seldom withdrew it from the bankers' strong boxes, but were satisfied to carry on their persons the receipts of their deposits.

IN ORDER THAT readers may have the complete series of Father Coughlin's radio lectures on money, interrupted by his Summer vacation from the airwaves, this further instalment of his intended broadcasts has been prepared as an article for SOCIAL JUSTICE Magazine.

On this point, permit me to quote from *Senate Document No. 23, 76th Congress, 1st Session,* prepared by Honorable Robert L. Owen, former chairman, Committee on Banking and Currency, United States Senate, (pp. 14, 15):

"In the eighteenth century when the Bank of Amsterdam was founded it took deposits in the form of gold and gave receipts against the gold on deposit. Its operators found that the receipts served a better purpose than the gold itself. Under their system the gold was in a vault thoroughly protected against robbery and the receipts were personal receipts transferable. These receipts functioned as money. So long as the bank followed the system of issuing receipts only against gold on deposit, its receipts circulated as freely as gold itself.

Issued More Receipts Than Gold on Hand

"In the beginning the operators of the bank never thought of issuing receipts against gold which they did not have, but as years went by and the depositors very rarely called for the gold and were content to circulate the receipts in place of the gold, the bankers arrived at the conclusion that they would be safe issuing other receipts not covered by gold but covered by mortgages and property which they thought might be convertible, if necessary, into gold.

"When at last it was discovered that the outstanding receipts of the bank very greatly ex-

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A Footnote

Kubla Khan's Currency

(From "Wealth, Virtual Wealth and Debt" by Frederick Soddy, New York, 1933: pages 144-153.)

"PAPER MONEY is in itself a fascinating study, and it is, perhaps, worth while tracing its invention to at least one of its origins in the East. Kubla Khan, the great Mogul emperor, as Marco Polo records in his travels, 'had the secret of alchemy to perfection, for he makes his money of the bark of a mulberry tree, and this they cut up into something resembling paper, but black . . . Everyone takes them readily, for wherever a person shall go he will find these pieces of paper current, and be able to transact all business just as if it were gold.' The Great Khan must have arrived by intuition at many of the principles that we are so slow to accept. He realized that the bulk of his subjects had no need for gold for their internal currency, but required only a medium of exchange, of definite and constant purchasing power and safeguarded from counterfeiting, whereas for foreign trade the precious metals were essential. Thus we read that all merchants from India bringing gold or silver, or gems or pearls, were prohibited from selling them except to the emperor, who paid a very liberal price for them in his own paper notes without any delay. The merchants found them vastly lighter to carry forth than gold, and bought with them whatever they liked anywhere within the empire. But the nobles, or indeed anyone else soever, having need of precious metals or gems for girdles or the like, could always buy as much as they wished from the emperor with the paper money. The first issue was in 1260-1287, and some of this paper is still extant, and can be seen occasionally in museums."

The Origin of Modern Paper Money

"Very different is the history of its rediscovery in the West. The kings, in need of gold and silver as much, no doubt, as the Great Khan, used in emergency to borrow it, sometimes without the formality of the owners' consent, so that it became extremely risky to deposit it in the Tower or other stronghold provided for the purpose. In these circumstances the goldsmiths obligingly acted as caretakers for the spare cash of the merchants and others, and in course of time developed into bankers. Holding the stocks of money of their various customers, they were loth to allow such vast sums of 'wealth' to remain 'idle' and 'barren,' and they lent a safe proportion to reliable people at interest, knowing by experience that not all their depositors would want all their money back on the same day. But when merchants with mutual dealings happened to deposit with the same goldsmith, they found it convenient to issue a written order to the latter to pay one another out of and into their mutual accounts, rather than themselves to draw out the money for the purpose. Thus the modern *cheque* originated, whereby, instead of remitting cash to pay an account, a *cheque,* or order to the banker to pay from the depositor's account, is sent.

"Such an order, or *cheque,* as a substitute for money, has two sources of uncertainty: First, it may be worthless because of the insolvency of the signatory, and secondly, because of the insolvency of the bank. The first of these effectually prevents *cheques* from passing current as money, save, possibly, among a few to whom the signatory is personally known to be solvent. But the ability or otherwise of a bank to meet its liabilities is much more widely known, and is a matter of common repute among the business fraternity. Hence, among merchants personally unknown to one another, the practice arose of sending the goldsmith's receipt for the deposited gold. This eliminated the first uncertainty, and such receipts would circulate as money everywhere where the goldsmith was known to be reputable. In this way the bank-note originated. The depositor obtained receipts for definite sums of gold, with which in course of time the community got to be familiar. The receipts circulated as money as easily and more conveniently than the gold itself. At this state there *was* the gold behind the note. It was a promise of the banker to pay the holder of the receipt or note the sum of gold *specified on demand in exchange for* the note."

The Pyramiding of Credit

"As the banking and *cheque* system developed and people got into the habit of depositing their money more and more in banks and using *cheques,* in lieu of cash, to settle their accounts, the banker at first would, as we have seen, always possess a much larger stock of gold and silver than he required to meet such demands for cash as the public still made. It is therefore clear that the banker can safely lend part of his depositors' money; but what is not so clear is that he can lend many times as much as the whole nation possesses—in fact, create it to lend at will.

"Before the War it was considered 'safe' for the banker to keep some £15 per £100 of cash against deposits. That is, for every £100 deposited £15 of cash sufficed for the small cash demands, most of the depositors' purchasing power being exercised by *cheque.* We may take this 15 per cent for purpose of illustration only. It is doubtful if as much has been necessary for a very long time.

"Now the whole secret of the system is contained in the fact that when a bank creates a loan and lends £100 to a borrower, to do so it need only have £15 of its depositors' money, or whatever the 'safe' ratio may be.

"Thus, dealing throughout with averages, against the original depositor of £100, £15 of legal tender must be kept in the till, leaving £85 available to be lent to a borrower. It is true this borrower might demand it in cash, but, on the average for him no less than for the original depositor, only 15 per cent of cash, or £12 15s. is necessary, leaving £72 5s. free to be lent to a second borrower. Of this 15 per cent, or £10 17s., again suffices to be retained, leaving £61 8s. available to be lent to a third borrower. So it goes on until each £100 of original cash becomes a total of £666 13. 4d. Of this £100 are due to the depositor and £566 13s. 4d. is owing to the bank from the borrowers.

"The borrowers have to deposit with the bank acceptable collateral securities, which, if they default, the bank can sell, or try to sell, to recoup itself. But such securities are usually not sold. The bank charges interest upon the fictitious loan. At a modest 5 per cent bank rate the interest on £566 13s. 4d. is £28 6s. 8d. per year, which is, it must be admitted, not a bad return on £100 which the original 'depositor' *has not lent.*

"If the truth were known it would probably be found that this estimate is altogether too modest.[1] At least since, if not before, the War the figures suggest rather a 7 per cent 'safe' limit than 15 per cent. On this basis a client depositing £100 of cash in current account enables the bank to loan £1,330, which at 5 per cent brings in £66 10s. 9d. per annum.

"It is therefore not surprising that banks are usually so ready to keep their depositors' accounts for nothing. Economists, in their analysis of how a man gets his income and how he spends it, regard this interest apparently as payment for services in banking, and have never to the author's knowledge tried to assess its cost to the community. Clearly, if they were deprived of these powers, the banks would have to charge their customers for the trouble of keeping their accounts like other businesses. But whether such a system of economics that overlooks the virtual wealth of the community and treats it as the property of the bankers rather than of the nation—a mere perquisite for the performance of certain clerical duties—is of much help to the nation's government is another question."

[1]Hugo Bilgram (*Journal of Political Economy," xxix, November, 1921*) takes the total of cash reserves held by deposit and reserve banks in the United States as not less than 8 per cent of the total deposit currency, and of this 40 per cent must be gold.

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(Continued from Page 10)

ceeded the amount of gold the bank held, it resulted in the destruction of the bank by a flood of demands for gold that the bank could not supply.

"In the United States the banks were permitted, on an average, prior to the *Bank Act of 1935,* to make loans to an extent of 10 times as great as the currency which they had available in vault or as reserves held for them by other banks."

As footnotes to this article I reprint excerpts from Professor Soddy's book, *"Wealth, Virtual Wealth and Debt,"* to corroborate the statement that banks lend much more than they have—seven times more as an average over the years, according to the Honorable Wright Patman; 12 times more according to the figures of Hugo Bilgram (*Journal of Political Economy, xxix, November, 1921);* occasionally 20 times more, as the records of the year 1929, preceding the bank crash, prove; and 10 times as great as the currency they had according to ex-Senator Robert L. Owen, the monetary authority above quoted.

(See Footnote on Page 10)

Please read the two footnotes taken from the writings of Professor Frederick Soddy. These footnotes are founded on accurate history well corroborated by other authors and experts on this subject.

But to return to our subject of usury: The ordinary citizen in days gone by deposited his gold or silver with the strong box keepers. In turn, because the citizen was not in the habit of demanding the actual gold or silver from the strong box keeper, the latter was satisfied to issue notes to the depositors attesting to the fact that so much gold was on deposit.

Moreover, the strong box keepers loaned a safe proportion of depositors' gold to other people, "knowing by experience that not all their depositors would want all their money back on the same day," as Professor Soddy asks:

Was that usury?

Coming to modern times, informed persons know that banks create money. They create it by lending it. The more they lend, the more they create. On what they lend—much in excess of what they actually had—they charge interest.

Is that usury?

How 95% of Our Money Is Artificially Created

To quote again the Honorable Robert L. Owen who, with the Honorable Carter Glass, is recognized as one of the best informed students of finance in America, we read the following excerpt from his writings, which was inserted on page 5322 of the *Congressional Record* of March 26, 1940.

"Under our present system, the banks and their customers create over 95 per cent of all the money we use (check money). And they cancel check money when the loans are paid off, for whatever reason. Ninety-five per cent of our check money is based on deposits created by debt. This creates an irresponsible monetary system where private persons create and destroy money according to their hopes and expectations of profit, or their fear of loss and lack of confidence. Chairman Marriner Eccles, of the Board of Governors of the Federal Reserve System, truly said (page 102, *Senate Document No. 23*), 'The banks can create and destroy money. Bank credit is money. It is the money we do most of our business with, not with that currency which we usually think of as money.' "

This created money is represented by the loans the bank makes. On this created money the banks charge interest when they make loans.

Is that usury?

Pause a moment to grasp the implication of the following concrete figures: As you know, the word "deposit" as used in the vocabulary of a banker does not mean the money a citizen deposits in a bank. On the contrary, it means the loans which a bank extends to borrowers. Let us inspect that statement in the following paragraphs.

Now, on page L F 3 (Financial Section) of the *New York Times* of Sunday, April 28, 1940, we read the following statistics:

"Total reserves (Federal Reserve System)	**$16,777,242,000**
Total money in circulation	**7,520,000,000**
Note circulation	**4,918,503,000"**

Let me translate these figures for you in plain language: (1) The Federal Reserve System has reserves of more than $16¾-billion. (2) There are in actual circulation approximately $5-billion of notes in denominations of 5, 10, 20, 100, 1000, etc.

It is evident from these figures that the Federal Reserve System has almost 4 times as much money as is in actual note circulation—as the 5 and 10 and 20-dollar bills, and bills of other denominations in the banks, in the tills, in the pocketbooks, and not discounting the notes in the mattresses of America, not discounting the notes which flowed into the strong boxes of Europeans.

But that is not the entire story. The Federal Reserve Banking System has upwards of $18-billion in United States bonds, against which the banks can legally issue notes and payment of which is guaranteed by the $18-billion of gold buried at Fort Knox. Add that $18-billion to the $16¾-billion reserves which the banks have, and you have the figure of approximately $35-billion, although the currency money in actual circulation amounts to less than $5-billion.

Congressman Crawford Analyzes Money Power

The Hon. Fred L. Crawford, Representative from Michigan, has a word relative to this subject—a word which he incorporated in the *Congressional Record* of February 29, 1940, page 3389. He said:

"Our Federal Reserve notes tell us, on their face, that they are 'legal tender redeemable in lawful money.' As the fiat now stands they may be issued in the sum of $40-billion, which is two and one-half times the present holdings of virtually $16-billion in gold certificates by the 12 Federal Reserve banks. Now the courts have held repeatedly that legal tender is lawful money (*Bronson v. Rhodes,* 74 U. S. 229; *Perry v. State,* 61 Southern 400; *Vicks v Howard,* 116 S. E. 465). Were member banks to expand their deposits with the Reserve banks to the legal limit, and the latter came to hold all of this $40-billion in lawful money in the legal reserve of 35 per cent against such member-bank deposits, those deposits could probably reach the sum of $114-billion. This sum in turn, representing the reserve, averaging about 17 per cent, which must be held by member banks against their demand liabilities to their depositors. Those liabilities, which are our money supply against which checks may be drawn, are, it would appear, potentially restricted to the modest sum of not quite $700-billion. As business needs expanded the ratio could then be legally reduced to 10 per cent by Executive decree and this restriction — to a mere $700-billion — be raised to $140-billion, more than a trillion dollars. This, Mr. Speaker, is the limitation, so-called, imposed by the law on the Executive administration of our money system—if we lean wholly on those banks within the Federal Reserve System and acquire no more gold."

Mr. Crawford's accurate analysis of the power of money creation legally invested in the Federal Reserve System strikes me as appalling, to say the least.

Our question is, however: "What is usury?" Does it consist merely in charging too much interest on a real loan (real money) for a productive purpose; or, are there other angles to usury which this generation does not perceive?

Created Money Is Loaned at Interest

But, back to our subject:

Now, if the actual amount of bank notes in circulation approximate $5-billion — and all these notes are not in the banks—what kind of money have the banks? It is at least 7 times as much as the notes in circulation. As a matter of fact, when we consider that only approximately $7½-billion of currency has been issued by the United States Government directly or through the Federal Reserve System and that conservative financialists report that at least $3-billion of this amount is not in circulation because it is in safety deposit boxes, in foreign banks and elsewhere, there is almost 9 times as much money represented by the $35-billion in the banks as is in actual circulation in the country.

Where did the money come from, if bankers did not create it? And when they lend it at interest, are they lending real, hard money, or money which they created?

And is that usury?

In the above paragraphs I did not even venture to mention specifically the 60-billions of dollars which the member banks of the Federal Reserve System have outstanding in loans—loans to industry, to agriculture, to churches, to hospitals, to schools and to graveyards. (*See Patman's statement below.*)

What kind of money do the local banks, members of the Federal Reserve, lend to local borrowers? They create money, as testified by ex-Senator Owen and by Marriner Eccles, the Governor of the Federal Reserve Board, and as is known by all persons who study this subject.

When they lend their created money at interest—even though it is called "deposits"—is that usury?

Average Is 7 to 1 According to Patman

The Honorable Wright Patman, member of the Banking and Currency Committee in the House of Representatives, testified before the Subcommittee on Ways and Means on March 27, 1940. In part he said: (P. 6940, *Congressional Record"* of April 16, 1940).

"The report of December 30, 1939, discloses that the New York City banks have deposits aggregating $20,221,262,369, about one-third of the total deposits in the entire nation. This was an increase during the 12 months by the huge figure $2,887,355,469.

"The ratio of deposits to capital funds in these banks was, on December 30, 1939, 9.35 to 1.

"In addition, these banks have approximately $4-billion in excess reserves. This is two-thirds of the excess reserves held by all the banks in the entire country. The banks in the country are privileged to make loans equal to an average of 7 to 1 on excess reserves. There are sufficient excess reserves in this one city alone to authorize the issuance of sufficient money or credit to absolutely buy the remainder of all money-making business properties throughout the nation that are not now owned or controlled by a few people who own and control a few banks in this one city."

Mr. Patman's estimates are conservative, namely, that the banks of the country are privileged to make loans equal to an average of 7 to 1 on excess reserves. Recall that Robert L. Owen, the framer of the *Federal Reserve Act,* used the figure of 10 to 1.

Again I ask: "Is that usury?"

St. Bernardino Severe on Usurers

Commenting upon the usury extant in the 13th, 14th and 15th centuries, Ludwig Pastor (*"History of the Popes,"* Vol. V, pp. 106-108) writes as follows:

"Usury and fraud went hand in hand with the wealth and commerce, which all this luxury required for its support. S. Bernardino of Siena reproaches the merchants with the devices and tricks with which they strove to overreach each other. He is particularly angry with the Stocchi family (*stocco-rapier*), who were in the habit of buying up goods in order to raise prices, then selling them again at a profit, and afterwards buy them back cheap. Their name fitted

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DEAR FOLKS:

IT'S KINDA unushual f'r me t' hafta sit down 'n write a long artikul like this, but I was kommishuned by th' Boss t'do a little detektuf work 'n when I'd got things lined up 'n ev'rything was taken care uv, I should write a kompleet report on it.

Well, I did as I was told 'n here's th' story. I'll try t' tell it 's well's I can, 'cause this is my firs' big job—imajun y'r ol' frien' Pal havin' a feetchur artikul, with his name signed to it 'n ev'rything in such an important magazine as SOCIAL JUSTICE! Sakes alive! Will wonders never cease!

I'm not gonna menshun eny names —reel names—in this artikul, 'cause I don't wanna hurt ennybuddy's feelin's 'r reputashuns. That isn't th' point at all. But th' fakts're all true—y' c'n take my word f'r it.

Well, t' begin with, things were happenin' round 'n about th' Shrine property that needed a littul lookin' in to, so y'rs truly started t' look 'round t' see what could be done 'bout it. 'Course, I hadta do a littul research on th' detektuf bisnuss 'fore I could get goin' after th' kulpruts — I hadta be shure I didn't muff th' ball, so t' speak, 'n skare them off 'fore I had a chance t' catch 'em with th' goods 'n bring 'em t' justice.

Vandalism at Shrine Sets Pal on Trail

I got out some uv th' detektuf stories I knew some uv our folks read sekrutly—f'r relaxashun, they say—but f'r me it was purely in th' line uv bisnuss. 'Sides that, I read artikules in diffrunt papers 'bout how such things were done — there's a lot uv that kind uv stuff in the papers nowadays, so it wasn't hard t' find out how t' go 'bout it. Th' only thing I didn't like 'bout this job was th' snoopin' part—'n 'bove all things, I didn't wanna hafta use what they call a stool-pigeon. Golly, that name must mean somethin' awful, 'cause when peepul say "he's a stool-pigeon" they turn up their noses 'n make awful faces, like as if somethin' didn't smell so good. So, I made up my mind I wouldn't use one of those things in my littul investigashun. I'd do it myself 'n carry right through, using only such methuds 's are lawful 'n clean t' catch those fellas that were runnin' all over th' grass 'n climin' up in th' small trees 'round th' Shrine 'n breakin' th' branches 'n tramplin' down th' poor littul flowers that have had such a time gettin' started this spring. Not only that, some Smart-Alecks have had nothin' better t' do than t' twist th' flood-lights out in front uv th' Shrine 'n throw them 'way off, so that when they want t' use them th' lights go ev'ry which way 'n make an awful mess. Some fun! It takes 'bout a half-hour t' get each light in th' right posishun—but that means nothin' t' some peepul's kids. Waste uv time 'n money is bad. Maybe if they had t' pay some uv th' bills t' keep the Shrine a place uv beauty they'd have a littul more respekt f'r property.

'D-Dogs' Round Up 16 Suspekts

T' be fair, I mus' say all th' guilty ones didn't turn out t' be boys—th' girls were well represunted, too.

Well, after I got all th' dope I needed I organized some uv my frien's 'n we called ourselves the "D-Dogs" 'n we planned our kampain — givin' each "D-Dog" a neyborhood t' kover 'n watch th' aktivatees uv th' suspekts. They weren't reely suspekts, 'cause I knew f'r shure they were th' ones who were doin' all th' mischief—but I got so intrusted in this detektuf bisnuss I wanted t' string it along 'n have all th' thrills that go with it. Boy, I was all exsited 'n kept learnin' more 'n more about it jus' f'r fun. It's got it all over on bein' jus' th' Circulashun Manager f'r SOCIAL JUSTICE 'n bodyguard f'r th' Boss 'n general all-around man f'r enny odd-job that turned up.

Well, it was a good thing we didn't move too fast, 'cause a cuppla boys I thought were in on th' dirty work were jus' innacunt bystanders—they reely didn't have ennything t' do with th' damage that was done, so we didn't go after them like we planned in th' beginnin'. But th' others—16 uv 'em—we rounded up in fine shape 'n brought 'em inta court 'fore th' Boss 'n th' 'sistants at th' Shrine 'n they had a fair trial, y' c'n be shure.

I was ready t' bust, I was that mad, at what those 16 said t' defend their akshuns. D'y' know they had th' nerve t' say that it was all th' fault of their teachers 'n that they were only doin' what they were told t' do. Well, I thought t'myself, what is th' world comin' to when youngsters'll blame th' good Sisters over at our school f'r wreckin' property 'n bein' sassy t' peepul who tried t' chase 'em off. It was all I could do t' keep from takin' a piece right out uv their trousers when they stood up there 'n told such whoppers.

Well, I kep' cool 'n let 'em have their say—they had that right—but boy, did we tear 'em apart when we presentud our evidense! They didn't have a leg t' stand on. We proved they were guilty not only uv property damage but uv tellin' th' prize fibs uv th' censhury. They'd been warned by th' Sisters t' behave like gentulmen 'n ladies not only on our property, but on ev'rybuddy else's 'n they'd been told t' be polite under all cirkumstances, 'specially t' their elders. There was proof galore uv this, so we won hands down.

Youngsters Promise to Help With Garden

Well, those 16 kulprits didn't know which way t' turn, they were that unkomfortuble when th' Boss laid th' law down t' 'em. They were squrmin' 'n shiftin' their feet 'n didn't know whether t' look up 'r down 'r what t'do. Ordunarily, I'd a felt sorry f'r 'em, but they had it all comin'.

After they'd been repramanded 'n fined—they each had t' promise t' spend so much time each week workin' on th' garden t' make up f'r th' damage they'd done — they marched out a littul meeker'n when they marched in.

I'll bet they'll be moduls uv perfekshun f'r all t' behold from now on, 'n a shinin' exampul t' all th' other children in th' neyborhood, 'n I'll consider I've done a good job in helpin' t' bring this about.

If this little story 'bout my detektuf work c'n make some other boys 'n girls reelize how importunt it is that they behave 'n have respekt f'r other peeples' grass 'n flowers 'n buildings, I'll think I've done somethin' worthwhile in my life.

Now that this case is closed life'll seem hum-drum again 'til somethin' else turns up. I'm gonna keep right on studyin' th' detektuf bisnuss, 'n drill my "D-Dogs" in my spare time so we'll be ready when it does.

—PAL

At Least, Gold Teeth Will Brighten Smiles!

By Prof. Gould E. Loxx
Self-appointed Monetary 'Authority'

WITH THE SCORE tied at 13-13, going into the second half of the war abroad, this nation's "financial-chemists" are scratching their scalps and wondering what to do about all our gold.

As they see it, the United States is confronted with a goldilemma having as many horns as a herd of rams. In the first place, gold is the backbone of our money system. It is also the backbone of the money systems of France and Great Britain. Both have reported severe cases of backache recently.

We declared an "international kindness week" a few years ago, raised the price of gold from $20.67 an ounce to $35 just for the fun of it, and then offered to buy all we could get. We got quite a bit, alright—we got about 65 or 70 per cent of all the gold in the world.

This didn't leave much for the others, but it did the job for us. We cheapened our dollar down to 59 cents and then spent these cheap dollars like a tractor salesman on an expense account.

We Might Get Our $24 Back From the Indians!

And here's where the goldilemma arises: If the Nazis win the war, we might just as well bury all our gold in the depository at Fort Knox —and then bury Fort Knox! If the Allies win we might just as well turn all our gold over to them with a receipt marked "paid in full." They won't be able to buy very much without our gold, and if we don't sell we're sunk. We'll all have to retire, get our $24 back from the Indians and return Manhattan Island to them.

Secretary Morgenthau of the Treasury Department eases our worst fears by assuring us that if the Nazis win the war, things will be so bad we won't mind loss of the gold. Dr. E. A. Goldenweiser, a research director for the Federal Reserve System, says "No simple solution to the (gold) problem can be devised." He says it will all be answered in the great changes that are bound to take place after the war. That's not much help for the present, as you can see.

Dr. W. R. Burgess, vice president of the National City Bank of New York says: "It is hard to conceive of any method of bringing our present gold hoard and tremendous gold movements within the framework of any effective automatic mechanism." That leaves us just where we were the paragraph before.

Mr. Winthrop W. Aldrich, of the Chase National Bank, suggests that we take the lid off and let the people own gold once more, and then start coining gold again.

Senator Elmer Thomas of Oklahoma would use the gold to pay off the Federal debt and then distribute the rest among the "solvent nations." He didn't identify the latter.

Staff Humorist Offers 'Gold Plan'

Now then, your professor has borrowed from each of the estimable gentlemen quoted above and has undertaken his own planning on the best method of liquidating our surplus gold. His labors have resulted in five separate and distinct gold-liquidation plans. These plans are so flexible they may be used one at a time, or all together. The professor doesn't like to go into details. He'd rather just deal in big, abstract ideas.

PLAN 1. Give all the gold away to anybody and everybody, with the one provision that for every dollar in gold they get, they buy two dollars worth of stuff. We will advance credit for the second dollar's purchase.

PLAN 2. Dig all the gold out of Fort Knox, and other depositories, and bury it all over again, a little bit in each county throughout the country. Then at a given signal let the citizens go after it, creating a universal "gold rush."

PLAN 3. Count up all the gold, then count up all the families in the country, and give each his proportionate share. A contract provision will make it necessary that the gold be used for non-monetary purposes, such as door knobs, plating bathtubs, making rings, framing pictures, filling, inlaying, etc., teeth.

PLAN 4. Declare a national "Gold Tooth Week," in which all patriotic citizens will report to their neighborhood dentist to have one tooth removed and replaced with a fine, gold denture. This will afford a lasting symbol of our generosity and will brighten every smile.

PLAN 5. Collect all the gold, melt it down, and then pave all the streets with it. One ounce can be stretched out to cover 65 miles, or so, and there should be enough to go around. The Europeans generally have been led to believe that the streets of the United States are paved with gold anyway. This is a good opportunity to end the deception.

Now, in summation, maybe none of these plans would work. But on the other hand, neither does the present system. Maybe one of these plans is the solution to all our woes. How do we know? We never tried them.

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WAR CONQUERS DIPLOMACY

Great Britain's Policy of Encirclement of Germany Fails: A Brief Chronology of Eight Months of Diplomatic Breakdown

THE REAL MEANING of the great events of the last two weeks are best understood by a comparison of the conditions of Europe a year ago and today.

The truth is that the year 1939 presents a study of the most amazing importance to those interested in world affairs.

It was on January 28, 1939, that Prime Minister Chamberlain, in an address at Birmingham, England, blandly announced that the democracies would unite in resisting any "demand to dominate the world by force." What he meant by democracies can be best understood by the diplomatic negotiations which followed. Assuming that England, France and the United States represented the "three democracies," it is a little difficult to understand Prime Minister Chamberlain's dedicating America to any policy whatsoever.

In the negotiations which followed, England and France made their play for Communist Russia, the last State in the world which by any stretch of the imagination could be called a democracy. From that day to this, things have not gone well with the democracies.

On March 14, 1939, the republic of Czechoslovakia collapsed as Slovakia and Ruthenia declared their independence. Hungarian troops began the occupation of Ruthenia on the same day. On the next day, Dr. Emil Hach "requested" a German protectorate over Czechoslovakia, which nation Hitler thereupon proclaimed non-existent and, preceded by German troops, the Fuehrer entered Prague.

Further Forced Expansion by Hitler

On the next day Hitler proclaimed a protectorate over Moravia and Bohemia while Hungary formally announced that she had annexed Ruthenia.

On March 17, Chamberlain condemned Germany's disregard of written pledges and on the 20th, Chamberlain announced that the British government was "in direct consultation with other governments" to form an anti-Fascist bloc. This was a dangerous announcement. This was a challenge. Germany knew that some 52 nations directly or indirectly had been on the Allied side in the World War. Certainly, Hitler recognized that Italy was Fascist and that, therefore, the "other nations" must of necessity be Russia, the Balkans, France and the United States.

A day later, March 21, 1939, the Italian Fascist Grand Council voted approval of Germany's territorial seizures and warned that an anti-Fascist coalition of democracies would "herald war." The gauge had been thrown down by Great Britain. There was no student of world affairs that did not recognize her power in diplomatic channels. On March 20, she had announced that she was in consultation with other governments to form an anti-Fascist bloc and it was Italy that termed such a coalition the heralding of war.

On the next day, March 22, Lithuania yielded Memel to the German Empire and on the next day Hitler made his triumphant entry into Memel.

On March 23, Hitler concluded a five-year trade treaty with Roumania.

Britain and France Pledge Aid to Poland

On March 25th, he declared "the German people stand shoulder to shoulder with the battle-proved Italian nation," and, on March 31, came one of the most significant events, as later history proved. Great Britain and France jointly pledged immediate assistance to Poland in the event of aggression. The significance was in the fact that the British action remarked a historic departure from its policy of non-interference in eastern European affairs.

By April 1, the Chamberlain policy of encirclement of Germany was known to all the world. Hitler replied formally to that policy in a speech at Wilhelmshaven on the occasion of the launching of the battleship, the *Admiral von Tirpitz*. He boldly declared that the diplomatic policy of encirclement would be answered by a readiness to fight to avoid it.

Two days later, on April 3, Prime Minister Chamberlain invited the co-operation of any country, whatever its system of government, in resistance to aggression. The student must note the change. Originally, Chamberlain had declared that the *democracies* would battle against aggression. Now Chamberlain invites any nation, *whatsoever its system of government* might be, to co-operate. This change in British diplomacy needs emphasis. No longer is it a war of democracies. It is a war against the aggressors.

The Netherlands Prepare for Invasion

On April 4, Earl Stanhope, First Lord of the Admiralty, declared that orders had been issued to man the British fleet's anti-aircraft guns. This remark was later suppressed by order of Prime Minister Chamberlain, but it appeared in some newspapers.

On April 7, Italy invaded Albania and on the 8th, Secretary of State Hull, in a note approved by President Roosevelt, denounced the Italian invasion of Albania as a "threat to the peace of the world."

On April 10, it was announced that the Netherlands had increased their border battalions to full wartime strength. This was thirteen months before the Netherlands were invaded.

On April 11, President Roosevelt, in his press conference, inferred that the United States might become involved if a general European war broke out.

On April 12, Albania offered its crown to King Victor Emmanuel of Italy, and on the 13th, Great Britain and France jointly guaranteed armed assistance to Greece and Roumania.

United States Declares Its American Policy

On April 14, President Roosevelt, in a speech before the Pan-American Union, declared that the United States would meet any attack on any of the Americas with all its strength.

On the 15th of April, 1939, in identical notes to Hitler and Mussolini, President Roosevelt asked for assurance that neither would invade thirty-one independent nations of Europe and Asia for at least ten years. On the same day a British note to Russia reputedly asked Soviet assistance for Roumania and Poland in case the latter nations were attacked.

On April 16, the high point of Chamberlain's diplomacy was, seemingly, reached. According to a correspondent of the *Chicago Daily News*, the U.S.S.R. proposed the formation of a triple alliance between Great Britain, France and Russia.

On April 17, the Italian and German newspapers denounced the Roosevelt plea for peace as both demagogic and insolent.

Next day, Prime Minister Chamberlain, in a debate in the House of Commons, implied that Great Britain would fight to preserve the independence of the Netherlands, Switzerland and Denmark.

Britain Guarantees Denmark, Netherlands

The British Prime Minister was taking in a great deal of territory. He, at first, announced that the democratic nations would combine against aggression; later that he would welcome nations of any form of government; then he guaranteed the integrity of Greece, Roumania and Poland; and, now, he guarantees the independence of the Netherlands, Switzerland and Denmark. In the meantime the United States, through President Roosevelt, at first guarantees the integrity of Canada and then that of the two Americas.

By April, Yugoslavia had agreed to "faithful collaboration" with the Rome-Berlin axis.

By April 28, Hitler announced that he had asked Poland for the return of Danzig and for a strip of land across the Polish corridor.

A year ago this month, on May 4, Latvia agreed to sign a non-aggression pact with Germany and on May 5, 1939, Foreign Minister Josef Beck of Poland refused the Hitler demand for the return of Danzig and for a road across the Polish corridor.

On the 7th, Italy and Germany announced their intention to conclude a formal military alliance.

On the 11th, Chamberlain announced that the seizure of Danzig by Germany would lead to war. On the same day Great Britain and Roumania signed an economic treaty providing for a British credit of 5-million pounds to Roumania and the purchase by Britain of 200,000 tons of Roumanian wheat.

On the next day, May 12, the British-Turkish alliance was announced by Chamberlain.

Germany and Italy in 10-Year Alliance

On May 22, Germany and Italy formally signed a ten-year treaty of military alliance.

Then came the great obstruction in the Chamberlain policy of encirclement. The U.S.S.R. announced that it had refused to sign any pact of collective security with Great Britain and France unless all the nations along its border would likewise sign.

Between May 31 and June 7, Denmark, Esthonia and Latvia all signed non-aggression pacts with Germany.

On the 29th of June, Viscount Halifax declared that Great Britain would go to war immediately "in the event of further aggression."

On July 10 came a most solemn statement from Prime Minister Chamberlain in the form of a carefully-worded statement that the British pledge of military assistance to Poland would become operative if Germany should attempt to annex Danzig. This statement was long remembered by the European world.

On the 12th of July, Britain seemingly backed its promise by announcing the supplementary expenditure of 79-million, 100-thousand pounds for national defense and a 7-million, 900-thousand pound credit to Roumania and Greece.

On July 31, the Russian negotiations between Great Britain, France and the U.S.S.R. had proceeded to a point where they could be openly discussed in the House of Commons by Prime Minister Chamberlain.

On August 2, Great Britain granted Poland a credit of 8-million, 163-thousand pounds for military supplies.

By August 12, the British and French military missions were in Moscow beginning their conversations with the Russian staff.

By August 18, Germany assumed military control of Slovakia. On the same day France granted Poland a credit of 430-million francs for the purchase of raw materials.

Germany and U.S.S.R. Pact Surprises World

On August 19, to the astonishment of the entire world, Germany and U.S.S.R. signed a seven-year trade agreement. Two days later Berlin announced the signing of a ten-year non-aggression pact between the U.S.S.R. and Germany. The news caused consternation in the world capitals. It meant that British diplomacy had failed and the encirclement policy of Chamberlain had gone for naught.

The British reply was in the form of an announcement that the German-Soviet treaty would in no way affect the British obligations to Poland and Parliament was summoned to meet on August 24.

The day before Parliament met, August 23, Sir Neville Henderson personally delivered a message to Germany stating that Great Britain was prepared to fulfill its pledges to Poland. Hitler, in his reply, insisted on a free hand in eastern Europe.

The extent of the Nazi-Soviet non-aggression pact was fully realized on the 24th of August when its provisions were made known. The pact provided that Germany and Russia should refrain, without reservation, from attacking the other, that neither should join powers aimed at the other, and that both should re-

(Continued on Page 15)

THE BUSY NEWSPAPER READER in the last two years has had to digest an unprecedented amount of important current history. Out of it all, the best informed of us remembers many facts, but others of equal significance are bound to be forgotten in the onward sweep of new events. Purely as a helpful information service to the readers of SOCIAL JUSTICE National Magazine, therefore, we are reviewing briefly some high points in recent world history. These developments are presented in chronological order, as briefly as is consistent with clarity, and free as possible from any interpretative comment. A second similar review will follow. Readers will want to preserve them both.

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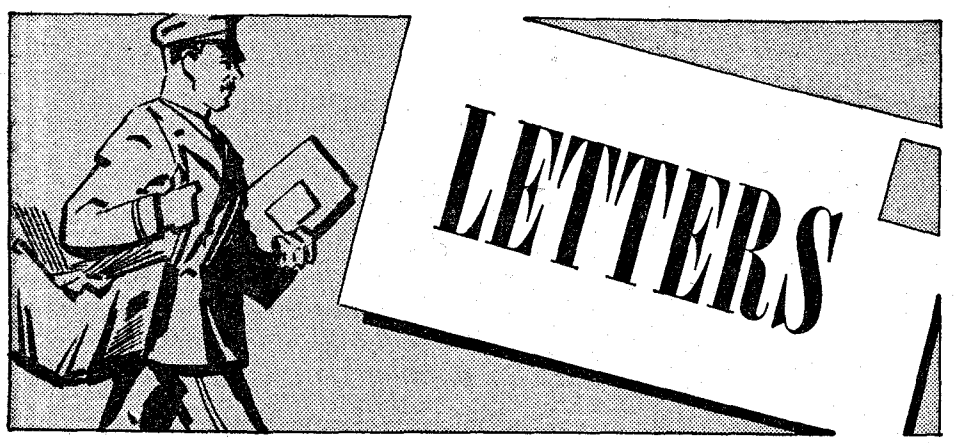

(SOCIAL JUSTICE aims to make this page a free forum and readers' opinions are invited. Naturally, the views expressed are not always those of this magazine. We cannot guarantee that contributions sent to SOCIAL JUSTICE can be returned to the writers. Letters not signed with the writer's name and address cannot be considered, although the name will not necessarily be used. We reserve the right to publish all letters received unless contrary instruction is specifically given.)

Some Kind Words for 'Social Justice'

TO THE EDITOR:

I wish to answer the letter of F. J. B. Walker of Atascadero, California, in the April 22 issue of SOCIAL JUSTICE.

Mr. Walker, in his letter to the Editor, resented the attitude SOCIAL JUSTICE has taken in the article *"England Late Again,"* referring to the Finnish War. He takes the attitude that SOCIAL JUSTICE has a chip on its shoulder against England. I have read every issue of SOCIAL JUSTICE and I could not in truth accuse this great paper as being unfair to any one person, race or nation because of their race or nationality. But I read and understand SOCIAL JUSTICE as a paper dedicated to truth—no matter who it hurts. I cannot see where the Editor is partial to any one people. In the rare occasions it has erred, the paper promptly and courageously has retracted in large print.

You say the constant attacks on England are exasperating and that you hesitated renewing your subscription to SOCIAL JUSTICE. Isn't the fact that you hesitated because in your heart you knew that you were not fair in your attitude.

I am almost certain that SOCIAL JUSTICE would not change its policy of telling the truth even if it means losing a few subscriptions, because if it did it would not last long.

Put nationality aside and look at it from an unbiased point of view: After all, when we speak of the English or French, Italians or Swedes, we do not speak of the people as a whole because the majority are poor, helpless people who must do the bidding of selfish rulers and who would very much prefer staying home being peaceful and happy with their families, instead of killing other human beings who are helpless like themselves. Therefore, speaking of nations, it is in reality of the rulers who never go to the actual fighting.

To my mind, modern wars are fought with the same principle that ruthless gangsters use to kill human beings. In the last war, if the victorious rulers had not been so selfish we would not be having these wars now. When they sat at the conference table in Versailles and divided the spoils among the mighty, the Holy Father warned these selfish rulers that nothing but evil would come from such a Treaty. His predictions have certainly proven true.

Dictators were born, like carbuncles, from bad blood. And now the tables are turned and the then mighty nations are suffering from their folly.

Propagandists are working feverishly to incite peoples' hatred for one another so as to make it easier to murder. The last war is still fresh in our minds. What did we gain? What do we hope to gain in this one? Let us be consistent, forget our nationalities. We are all brothers in the sight of God. Christ suffered and died for us all and the least we can do now is pray for His mercy and forgiveness for the wickedness of men and to restore again peace and love for the brotherhood of man.

Let us also not forget to thank God that we in America have a Father Coughlin, who has so fearlessly taught us the truths we might never have learned and which, perhaps, have saved us so far from the catastrophe of Europe. God bless him always.

—M. G.

Richmond, Mich.

Wanted: A Positive Hope!

TO THE EDITOR:

Frequently an issue of SOCIAL JUSTICE comes out with no encouragement from cover to cover. We have gone through so much anxiety that we need to have a little sugar with our salt.

Surely there are more gains to report. Your workers who have followed this thing so keenly have borne the heat of the day and it is almost superhuman to keep up courage when the paper's comment is also pessimistic.

The first thing I do is to page from the front to the back; if I note gains it reflects in my selling for the week.

So, please now, let's have more of the gains along with our losses.

—Agnes S. Bolt

Cleveland, Ohio

No Surplus With Need

TO THE EDITOR:

If I am not mistaken, Mr. Joseph Fitzpatrick has gotten himself mixed up, in that he has mistaken money for wealth. He has also taken for granted that because the present Government is purchasing commodities it is being done in the interest of humanity. This is not the case; rather it is being done that they (the powers who are at present in control) may remunerate those special ones whom they wish to remunerate, as they have said on more than one occasion, that the money may go to those to whom they wish it to go.

True, distribution is a national problem, but it cannot be solved by favoritism to this and that section, nor by setting upon the systems of distribution we now have with taxation which only adds to the distribution expense.

One would be led to believe that we had surpluses of commodities in this country. Can that ever be, while people are without food and without clothing? I say that there can be no surplus while either man or beast has not enough to eat or to wear!

The great trouble is that man has made that abstract thing called "money" a god and has forgotten God's instructions to go forth and let the world bring forth her increase.

Scarcity, which is the forerunner of famine, does not lead to a fuller, more abundant life; neither does a high wage. On the contrary, they can only mean hardship for the majority of God's children while granting to a favored few the power to exploit those children.

Mr. Fitzpatrick is right about our present unjust money system in that since 1933 it has ceased to be a medium of exchange, in the true sense of the word, and has become the plaything of those whose desire seems to be the control of the people in a subtle manner that they will be unable to understand, such as selling American money (exchange) to foreign countries at a big discount, while repudiating the Government obligation to its own citizens (the seizing of the citizens' gold) and the repudiation of contracts.

Having undertaken to "improve on the work of God," man is in a fair way to reap the whirlwind.

—Henry Prescott Wilder

South Boston, Va.

A Strong and Healthy America Need Not Worry About Moscow

TO THE EDITOR:

Sometimes one hears those who are unversed with the teachings of history make critical and derogatory comments about the work that Father Coughlin is so nobly doing and the cause he is so fearlessly pursuing. Praise and loyalty are due him by all whose cause he champions.

Men always find stones to slay a prophet while he lives but when he is dead and gone they will use the same stones to build monuments for him; yes, they search the land for marble white enough, and seek throughout the world for gold of fineness fit to chronicle his name. The names that stand out in bold relief, and in indelible letters, in the history of mankind are the names of those men who had the courage and forethought to expound the principles of the common man's welfare.

The economic well-being of a nation, it seems to me, is dependent upon two major factors. One is the soil, climate and resources of the country. The other major is the people who live there. A people with hope, with a vision, with unstifled courage, with a future before them, can do wonders in a land so well endowed by nature as our land is endowed. But a people whose courage has been destroyed, whose health has been undermined, whose ambition has been starved and whose faith has been broken, cannot and will not build a prosperous, progressive and powerful nation.

A nation whose children are born in poverty, hopelessness and destitution remain slaves, and as slaves they have neither backbone nor will; neither faith nor hope. As such they fall easy prey to forces that hammer at their institutions. A weak body is more susceptible to diseases from without. ***If we keep America strong and healthy we need not worry about the plague from Moscow.***

The Moscow virus will find no fertile soil here in America in which to breed and multiply if the American people are strong and hopeful. The will to live is half the battle won—so the doctors say. The will to keep democracy living is more than half the battle won. But there must be a desire to live; the desire to live is predicated on the knowledge that there is something to live for. There must be a future for ourselves and our children. There must be a little more social justice. A nation of a few powerful rich and many powerless poor is not a healthy nation.

"Ill fares that land to hastening ills a prey, where wealth accumulates and men decay."

—Clarence Resek

Manitowoc, Wis.

Paper Too One-Sided!

DEAR PAL:

As Circulation Manager of SOCIAL JUSTICE there are several matters I wish to talk about with you.

To start with I am Irish, therefore, am not overburdened with an overpowering love for Great Britain. Still I try to be unbiased; perhaps I don't succeed very well. Great Britain has done many things to her everlasting shame. So has every country. Still I fail to see why acts committed centuries ago should be held against the present government.

Mr. Chamberlain did everything humanly possible to prevent this conflict. In this week's issue of SOCIAL JUSTICE a list of promises made by Great Britain and unfilled is published. She is also accused of breaking international law by laying mines in neutral country waters. That certainly makes me laugh when the arch-fiend Hitler broke all laws, moral and international, and ravaged and grabbed all the neutral countries he desired without any declaration of war—not even an excuse was needed! The Jews were persecuted and robbed; churches demolished and Catholics and non-Catholics herded into concentration camps where clerics were forced to do the most servile work. Not one word of censure for Adolf—Why?

If Almighty God holds us responsible for the sins and frailities of our ancestors as SOCIAL JUSTICE does with former governments of countries, I am sadly afraid there will be few saved. The quarrel I have with Great Britain is she should have dropped bombs instead of leaflets on Berlin. Why should Great Britain be blamed if she doesn't want to sacrifice her manpower. She didn't start the war. SOCIAL JUSTICE is like a garrulous old woman—wants to be neutral but thinks others should sacrifice their lives.

Another thing I would like to speak of. Money, usury and the guilds are interesting to a certain extent but when you get column after column, week after week, it becomes very monotonous. I used to look with pleasure for SOCIAL JUSTICE. To me it is now so one-sided and commonplace I have lost interest in it. I have talked several people into taking SOCIAL JUSTICE. I am afraid they will not be renewed. The paper has become too one-sided. I can't blame people for being peeved.

Tell your Boss we love him just as much as ever and pray God to give him health and strength to carry on even if we disapprove of his paper.

—M. E. Murphy

St. Michael's Home
Tamaqua, Pa.

Better This Time, Too!

TO THE EDITOR:

Are we as Americans so gullible and have we entirely forgotten the double-cross of the United States when they got us into the World War by propaganda?

Are we again going to send our young men to fight and die, be maimed for life in body and mind for power and greed and upon foreign soil?

How can we forget or forgive the cold-blooded statement of Churchill —now the Prime Minister of England—who had the audacity to say (when only through our intervention the World War was ended in Great Britain's favor) that it *would have been far better for his country if we, the United States, had kept out of the war!*

The American public must arise and remind the "war mongers" of our 11-million unemployed and the national debt of $44-billion.

—Mrs. George Daggit

Laurence, Kans.

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The Speechless 'Voice'

Organ of 'Committee of Catholics to Combat Anti-Semitism' Repudiated by Reputable Churchmen

From the *Brooklyn Tablet* (Saturday, May 18, 1940):

"About a year ago the 'Committee of Catholics to Fight anti-Semitism' was formed. It drew wide newspaper publicity and approbation. *The Voice* was the organization's mouthpiece. Many will recall the photographs of Gene Tunny, selling the first copy to Mayor La Guardia, and Mrs. Franklin D. Roosevelt's warm approbation of the paper. A national organization, radio programs, etc., etc., were also announced.

"THE TABLET was critical of the entire venture. It regarded the Committee as a 'front' and fully exposed the first issues of *The Voice*. We believed the whole thing would serve no purpose and that the people would soon see through it.

"Nothing has been heard of the organization or its publication lately. Last week, however, we noticed a public embalming in the *Congressional Record*.

"It will be recalled that some months ago *The Voice*, supposedly dedicated to good will, human rights, democracy, tolerance, etc., printed a scurrilous article on Congressman Dr. Thorkelson, of Montana. It called him a fallen-away Catholic, a man with some marital misfortunes, a "bogus" physician and several other uncomplimentary things. The Congressman had his attorney, Mr. George E. Sullivan, of Washington, write to *The Voice* and its pretentious committee of Catholics. *The Congressional Record* tells the rest of the story.

'The Voice' Apologizes to Montana Congressman

"First the *Record* reprints this apology from the April, 1940, *Voice*, as follows:

"In the January issue of this paper appeared a special to *The Voice*, regarding Congressman Thorkelson, of Montana. We have since learned that it contained a number of baseless charges which we hereby retract, and tender our apologies.

"Instead of the Congressman's status as an authentic doctor of medicine being doubtful or questionable, it is wholly beyond doubt or question. His standing, as a competent and experienced physician and surgeon in Montana, is of the best.

"There is no basis whatever for the claim or suggestion that the Congressman ever ran a nudist colony or was ever in any way connected with any such affair.

"Moreover, the charge that he was born a Catholic and had marital and extra-marital adventures which brought Church disapproval was entirely unfounded. In fact, he has never been a Catholic nor ever claimed to be. Instead of turning publicly or violently or otherwise against Catholicism, the Congressman's fair and friendly attitude toward Catholics has been generally recognized in Montana.

"Accordingly, we hereby retract everything that we have published against Congressman Thorkelson with respect to these matters.

"We also withdrew all suggestion that Congressman Thorkelson has a 'mind poisoned against America.' Our disagreement with Congressman Thorkelson's diagnosis of internationalists, or an invisible government, to which he attributed the economic ills of America, is no reason for reflecting upon his character, honesty and patriotism.'

EDITOR'S COMMENT: The accompanying article, from the "Managing Editor's Desk" department of THE TABLET of Brooklyn, New York, speaks for itself.

More than 200,000 copies of the first edition of *The Voice*, referred to in the article, were reportedly printed; headlines in that first issue read: "*Catholics Answer SOCIAL JUSTICE Lies.*"

Subsequently, SOCIAL JUSTICE learned, and duly informed its readers, that the "Committee of Catholics to Combat Anti-Semitism," which sponsored the *Voice*, was made possible by the contribution of non-Catholics, and was to be devoted primarily to "smearing" Father Coughlin and the magazine SOCIAL JUSTICE. Meantime, a companion group styling itself "Liberty Hall" circulated a petition calling on the "Bishop of Detroit" to "silence Father Coughlin" and "take control of SOCIAL JUSTICE Magazine."

The Right Rev. Msgr. Edward Hawks, writing in the *Catholic Standard and Times*, said that the Committee of Catholics to Fight Anti-Semitism "did not realize what they were sponsoring."

And now Catholics who ostensibly sponsored the *Voice* give their answer to lies printed in the *Voice*. These estimable gentlemen, who for months have permitted their names to be associated with the project, have broken silence but only after the *Voice's* mission of detraction and suppression has been, more or less, successful.

Catholic Leaders Repudiate 'The Voice'

"Secondly, the *Record* contains several pages of letters addressed to Mr. Sullivan by members of the Committee of Catholics to Fight Anti-Semitism. They come from priests and laymen. Here are some samples:

" 'Mr. George E. Sullivan
" 'Woodward Building, Washington.
" 'Dear Sir: For some time I have been intending to withdraw my name from the committee behind the 'Voice for Human Rights.' Your letter has finally prompted that action. I think 'The Voice' is a good instance of how a good cause may be damaged by the wrong sort of defense.

"Yours very sincerely,
"Gerald Ellard, S.J."

" 'Dear Mr. Sullivan: A copy of your letter to the editor of 'The Voice' has been received. I have never had any connection with their publication or its policies.

"Sincerely yours in Christ,
"Daniel A. Lord, S.J."

" 'Dear Mr. Sullivan: I am in receipt of your letter. I know absolutely nothing about this matter. I became a member of the committee in August, at which time they issued a statement of purpose which said, among other things, '. . . and there will be no personal attacks against anyone.'

" 'Since my joining the committee I have never heard from them one way or the other until I received your letter. Immediately upon its receipt I sent to Dr. Chapman my resignation, copy of which I enclose.

"Sincerely yours,
"Alfred E. Smith."

Brooklyn Priest Forbids Use of Name

"A letter from a local priest says he subscribed for the *Voice* but the organization had no right to use his name on their Committee of Catholics to Fight Anti-Semitism.

"And here is a copy of a letter sent to Dr. Emmanual Chapman, editor of *The Voice*, which graces page 8629 of the *Record*:

" 'Dr. Emmanuel Chapman
" '261 Broadway, New York, N. Y.

" 'Dear Mr. Chapman: I was surprised to receive a copy of a circular memorandum from Mr. George E. Sullivan relative to the responsibility of an article concerning one Congressman Jacob Thorkelson, of Montana, which it alleged appeared in 'The Voice' of Human Rights. The circular letter, which I endorsed back to you, asked if I would be interested in serving or working on a committee in my city to interest people in the condition of Jews, especially those who were at that time being severely persecuted in certain European countries. This I would have gladly done. However, as no one has ever called me to date regarding this committee, I naturally presumed that it met with failure.

" 'Therefore, if you have me registered as being a sponsor for the publication of the 'Voice of Human Rights' it is most certainly without my authority. Besides, it is not logical that I, who live in New Orleans, would endorse articles unread, unchecked, and which are published in another city besides my own.

" 'If you have my name listed as one being responsible for the publication of your paper, I request that you remove it immediately.

" 'Please advise me accordingly.

"Very truly yours,
"John W. McShane."

"We can only add that if you follow THE TABLET on most of these matters you will be on the safe side and, at that, will be a year in advance. How anybody believed the way to fight anti-Semitism was to fight, or belittle, Christianity surpasseth all understanding."

Federation

(Continued from Page 9)

system based upon America's gold reserve);

2. Reduction of barriers to trade between nations — international reciprocal trade treaties;

3. Opening of new opportunities for settlement from crowded parts of the earth to the undeveloped parts of it—general migrations and repatriations for "living room";

4. Some kind of police power to take the place of the police power exercised by the British Empire as the dominant nation of the world for the last few centuries.

In short, Lord Lothian's "federation" would seem to be an empire extention with the simple transfer of the British Empire Commonwealth to the Federation of States of the World.

The Nazis have a different concept of the international order but none the less a concept of an international political, economic and financial federation presided over by the master nation or the nation of super-men.

Both the Allies and the Russo-German Entente have employed the same process in winning economic, political and military allies from the neutral nations as they have in mind for their rule of the so-called small neutral nations at the close of the war. Britain and France want their allies in the war as dominions or parts of the empire; while Russia and Germany demand that their helpmates be incorporated into their super-States as conquered territories under the dictator.

War Conquers Diplomacy

(Continued from Page 13)

main in constant consultation on questions of common interest.

President Roosevelt Urges Peace Parley

August 24th witnesses another act in the great world drama. The British parliament met and passed an act carrying emergency powers for the government to rule by decree. On that day, too, President Roosevelt appealed to both Hitler and President Moscicki of Poland to settle their controversies by direct negotiation, arbitration and conciliation. In another message he urged King Victor Emmanuel to intervene on behalf of peace.

On August 25, Hitler requested a conference with Sir Neville Henderson and, according to the *British White Paper* of September 1, Hitler told the British Ambassador that he was "determined to abolish Macedonian conditions in Poland." Hitler went much further. In a bold diplomatic stroke he stated that he was willing to approach England "with a large and comprehensive offer" which would "guarantee the existence of the British Empire," provided that England would agree to negotiate his "limited colonial demands and not ask revision of his obligations toward Italy and Russia."

On that day Great Britain and Poland signed a five-year military alliance in London. This proved to be one of the famous scraps of paper of history. On that same day Daladier declared that a betrayal of Poland by France would leave France without friends or support.

On the next day the British and French military ministers left Moscow in diplomatic disgrace, and Germany's ministers to Switzerland and the Netherlands and its ambassador to Belgium assured these countries that the Reich would respect their neutrality in a general war. This assurance proved to be another scrap of paper.

Following this, on August 28, the French-German frontier was closed, the Netherlands mobilized and Switzerland and Belgium called up more troops.

Hitler Presents Demands in Poland

On August 29, Hitler's reply to the British message of August 28, which requested direct negotiations between Germany and Poland, was delivered to London. Hitler accepted the British proposal for direct discussions provided a Polish emissary "with full powers" should arrive at Berlin, August 30.

On August 30, Britain expressed willingness to initiate Polish-German discussion at the earliest possible date. Chamberlain wired however "it is . . . unreasonable to expect that we can produce a Polish representative in Berlin today." It was on this date, August 30, that Germany's Foreign Minister, von Ribbentrop, read to Sir Neville Henderson, the text of a 16-point proposal published in Berlin the next day.

This sixteen-point peace plan, published on August 31, suggested the return of Danzig to Germany, retention of Gydnia by Poland, a plebiscite in the Polish Corridor to be held after a year, and an extraterritorial communications zone through the Corridor for whichever nation lost the plebiscite. On this day, August 31, the Soviet-German pact was ratified by the Supreme Soviet. Also Premier Molotov declared that the proposed mutual assistance pact with Great Britain and France had been dropped because Britain had supported Poland's objections to Soviet troops on Polish soil and had insisted on a clause covering indirect aggression.

This closes the story of eight months of diplomatic negotiations. The next eight months' story will be covered in a succeeding article in SOCIAL JUSTICE.

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TWO MORE WEEKS TO WIN $5,000.00

QUESTIONS FOR THIS WEEK!

QUESTION No. 5

What Is the Chief Business of Small Banks?

1. Lending money to farmers.
2. Lending money to home-owners.
3. Lending money to merchants.
4. Buying the debt of the nation.
5. Lending money to manufacturers.
6. Lending money to foreign nations.

QUESTION No. 6

What Can Best Save Man Economically From the Machine?

1. Improved distribution of goods based upon honest money.
2. Reduction in the use of machinery.
3. Issuance of more government bonds to relieve the unemployed.
4. Reduction of the birth rate.
5. Curtailment of the use of manufactured goods.
6. Reduction of the standard of living.

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 5 For Question No. 5 I select Answer No. ☐ No. 6 For Question No. 6 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

INDUCE ANOTHER TO ENTER THIS CONTEST

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 5 For Question No. 5 I select Answer No. ☐ No. 6 For Question No. 6 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

START IN RIGHT HERE!

QUESTION No. 1

Name One Thing That Is Not a Natural Resource

1. Land.
2. Minerals.
3. Air.
4. A Federal Reserve $20-note.
5. Water.
6. Sunlight.

QUESTION No. 2

Who or What Owns the Federal Reserve Banks?

1. The United States Government.
2. Private corporations.
3. The people as a whole.
4. The United States Congress.
5. The United States Treasury Department.
6. The Bank of England.

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 1 For Question No. 1 I select Answer No. ☐ No. 2 For Question No. 2 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

EXTRA COUPON FOR FRIEND OR RELATIVE

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 1 For Question No. 1 I select Answer No. ☐ No. 2 For Question No. 2 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

GREAT 'MEN AND MONEY' CONTEST COMBINES FORTUNE AND EDUCATION

This Can Be Your Turn to Win!

Perhaps you were a contestant in past competitions of this nature conducted by SOCIAL JUSTICE Magazine. Perhaps you did not wind up "in the money," but, when the results were announced found that you had missed out on only ten or more questions.

Then, this could be YOUR contest—YOUR turn to win.

It is proverbially true that each contest turns up an entirely new crop of winners. In six question-answer tests conducted by this magazine over the last three years only one person landed in the upper brackets on two occasions.

Do not be discouraged. By no means get it into your mind that you cannot win. Realize that, with just a little more care on a few of the questions, you would have won the Grand Prize or one of the other cash awards in previous contests.

Anybody can win a SOCIAL JUSTICE Contest. During the last three years 1205 men and women, boys and girls have been awarded a grand total of $36,407.00 for answering questions better than their competitors.

These winners came from many walks of life. The great majority of them had only an ordinary education. They had no special qualifications, except the desire to win and the willingness to put in a few hours of good, stiff thought.

You too can win. Your experience in past contests should help you to win. The thing to do is stick to it—go after the Grand Prize right from today. IT CAN BE YOURS!

QUESTION No. 3

What Is Meant by a Fictitious Loan?

1. A loan made for a non-productive purpose.
2. A loan which bears no interest.
3. A loan made for an illegal purpose.
4. A loan of money which does not exist in fact.
5. A loan of actual currency.
6. A loan of real wealth.

QUESTION No. 4

What Alone Should Be the Basis of a Nation's Money?

1. Gold.
2. Silver.
3. Government bonds or obligations.
4. International bank obligations.
5. Real wealth of the nation.
6. It needs no basis.

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 3 For Question No. 3 I select Answer No. ☐ No. 4 For Question No. 4 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

GET AN UNCLE OR AUNT TO ENTER

Fill in This Coupon and Mail with 10 Cents in Coin

Make your selection by number from suggestions under each question. Write clearly the number in the little square.

No. 3 For Question No. 3 I select Answer No. ☐ No. 4 For Question No. 4 I select Answer No. ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

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YOU HAVE two weeks in which to win FIVE THOUSAND DOLLARS—so it's time for you to get set. Remember, you have as good an opportunity to garner this neat fortune as any other person in our great *"MEN AND MONEY" Contest.*

But — in order to win — YOU MUST ENTER NOW.

No doubt, you know that all of the 109 cash prizes, totalling $13,000.00, are DOUBLED for winners who enter the competition during the first five weeks. That's a mighty important point to keep in mind.

You've seen the questions. You realize how easy they are to answer properly. No special education needed. Just an ordinarily fair knowledge of Father Coughlin's stand on money and of the doings of the world's famous men now affecting history . . . in other words, current events.

The Grand Prize of $5,000.00 can positively be YOURS as well as that of any other contestant — provided you enter NOW.

If you are already a contestant, you have Question No. 5 and Question No. 6 before you today.

If you have not yet entered, and that's a sad state to be in, we are arranging it so that you can come in TODAY and be right up even with every other contestant.

We have done this by reprinting for your convenience all of the four questions which appeared last week.

All you need to do is fill in three coupons with what you consider the best or most appropriate answers to the six questions on this page. Send in your solutions with your remittance of 30 cents — and you're on your way to being computed for the Grand Prize of FIVE THOUSAND DOLLARS; the Second Prize of $2,400.00; the Third Prize of $2,000.00; or one of the remaining 106 fine cash awards.

There they are—all six questions waiting for your solutions. You can answer them all in ten minutes. Use of the three coupons today could put you right in line for FIVE THOUSAND DOLLARS within a few weeks.

The Contest will last only eleven weeks. In that time you CAN win fortune—if you enter today.

So—what else is there to do? We ask you.

109 NICE ONES—EH, WHAT?

		If You Enter Early
GRAND PRIZE	$2,500	$5,000
Second Prize	1,200	2,400
Third Prize	1,000	2,000
Fourth Prize	400	800
Fifth Prize	300	600
Sixth Prize. 4 cash awards at $25	100	200
Seventh Prize. 100 cash awards at $10	1,000	2,000
TOTAL	$6,500	For early Entrance $13,000

Rules of the Contest

1. Open to all readers of SOCIAL JUSTICE, except employes of Father Coughlin or members of their families.

2. The contest shall consist of 50 questions and shall run for 11 consecutive weeks, beginning on Monday, May 13, 1940. Two questions each week for 10 weeks and all 50 questions to appear on the 11th week. Each question deals with the social justice principles laid down by Father Coughlin in his radio addresses or with the world's leading men at this time and the effects of their actions on current events.

3. A Grand Prize of $2,500.00 will be awarded the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based on the viewpoint of Father Coughlin and SOCIAL JUSTICE Magazine as expressed over the radio or in print. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.

4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each pair of answers. For these remittances the contestant shall have sent without further cost two copies of Father Coughlin's radio lecture books.

5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late or lost in the mails. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.

6. In event of ties additional questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.

7. Do NOT decorate coupons. Neatness will not count.

8. Any inquiry, the reply to which could not affect outcome of contest, will be acknowledged.

9. A contestant may send in any number of sets of duly qualified answers and each set will be judged as a unit, but no individual may win more than one prize. If submitting more than one set of answers, the contestant is required to keep them distinct by designating them "Set 1," "Set 2," "Set 3," etc. Each submitted set shall entitle the contestant to the two books specified in Rule 4.

Instructions to Contestants

1. Study the questions. Mark your selection of the best or most appropriate answers on the coupons below the questions and send in EACH WEEK with 10 cents in coin (not stamps).

2. If you wish, you may pay in full NOW, $2.50, and then send in your weekly coupons without further remittance.

3. Each question pertains to the social justice and money principles laid down by Father Coughlin, to the contents of his radio addresses on the money question and to the contents of SOCIAL JUSTICE Magazine as to current events. Proper or best and most appropriate answers tc all questions are found in Father Coughlin's radio speeches and in SOCIAL JUSTICE Magazine.

One out of the list of suggested answers under each question will be the best or most appropriate, based upon the pronouncements of Father Coughlin on money or this national weekly. It is your job as a contestant to try to select that particular answer.

4. In order to qualify as a prize-winner, each contestant is required to remit $2.50 for each complete set of solutions submitted.

5. If you run more than one set of answers, be sure to mark your Sets "Set 1," "Set 2," "Set 3," etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.

6. Remember how you can win a DOUBLED prize. If you enter the contest during the first five weeks, and the set of answers thus entered is adjudged a prize-winner after the contest closes, your prize will be DOUBLED. In order to qualify for a doubled prize, you must have sent in five duly qualified weekly coupons with a total of 50 cents during the first five weeks.

All Prizes Doubled for Early Entrance

Prompt entrance into the great "MEN AND MONEY" Contest will mean much to you. It will mean that, as a prize-winner, you will win just twice as much as if you delay until after the first five weeks.

Five Thousand Dollars is a neat little pile of money these days, or any other days. That is exactly the amount you will receive IF you enter the Contest during the first five weeks and are then adjudged winner of the Grand Prize at the end.

Now, those precious five first weeks will slide away mighty fast. Three are already gone. You know how time gets away from us all. The thing for you to do is enter right TODAY. Get in right now by setting down your answers to the first six questions on this page—then persevering in the Contest to the very end. And the end is only NINE WEEKS off.

Of course, all other prizes—all 108 of them—are also to be DOUBLED for those winners who enter during the first five weeks. The Second Prize winner will receive a check for $2,400.00, if he or she comes in early. The Third Prize winner will open an envelope and take out a check for $2,000.00—just for showing a little speed. TODAY. Don't hold off. The smart thing to do is enter NOW.

ADDRESS ALL CONTEST MAIL TO

'CONTEST MANAGER' SOCIAL JUSTICE

ROYAL OAK, MICHIGAN

BE READY FOR QUESTIONS No. 7 AND No. 8 NEXT WEEK

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What Is Usury?

(Continued from Page 11)

them well, for they stabbed and murdered their neighbors, and ought to be driven out of the city. S. Bernardino is equally severe on those who used false weights and measures, who knew they were sinning, but said to themselves—

'From floor to roof the barn
we'll fill,
May the goods be gotten well
or ill.'

"The Saint vehemently denounces those Christian usurers who even give money to the Jews, which by usury they have extorted from Christians. It is plain from the sermons of Gabriele da Barletta (1470), Roberto da Lecce, and Michele da Milan, that matters did not improve as time went on. The latter gives a long list of common forms of fraudulent contracts and monetary transactions, explaining the technical terms in his own way. A whole series of sermons by Michele deal with tricks of trade and false weights. Gabriele da Barletta, in his peculiar, graphic style introduces the following dialogue into one of his sermons: 'My son, art thou a Christian?' 'Yea, father, christened in such and such a church.' 'What is thine occupation?' 'I am a usurer.' 'Oh, if thy wife's gowns were put under a press the heart's blood of the poor would drip from them!'

"From these passages it is plain that the Jews were not the only extortioners and oppressors of the poor. The Christian Jews lent money on far more exorbitant terms, as the Town Council of Verona complained, than the Jews themselves.

Church Battled Usury Among Christians

"The preachers everywhere inveighed against usury, and many cities, Piacenza for instance, forbade it under pain of the severest penalties (exclusion from Holy Communion and from Christian burial), but the evil was still unabated. It was, of course, at its worst in commercial and financial centres like Florence and Venice. In Florence we find all patriots, writers, preachers, and legislators concurring in putting usury foremost in the list of offenses, and attributing all other evils to it, and we have documentary proof that their accusations were no mere oratorical phrases. Thirty per cent was no uncommon rate of interest.

"In 1420 money-lenders were prohibited from taking more than 20 per cent, but still there was no improvement. Ten years later another course was tried, and an attempt made to put a stop to Christian usury by allowing the Jews to lend at 20 per cent. Jews and Christians now combined to grind the people down, and the writings of both clergy and laity are full of complaints of their extortions. S. Antoninus composed a treatise against usury, in which he protests most earnestly against these iniquitous practices. Twenty years after the death of the Saint, Vespasiano da Bisticci exclaims, 'Repent, O city of Florence, for thou art full of usury and unlawful gains. Thy citizens devour one another; greed of gain has set every man's hands against his neighbour; injustice has become so common that no one is ashamed of it. Of late thou hast seen terrible things in thy streets, such disturbances and distresses as are plainly a chastisement from God, and yet thou remainest obdurate. There is no hope for thee, because the minds of all are set upon nothing but money-making, although they see how, the moment a man dies, all his riches vanish away like smoke.'

"Vespasiano da Bisticci addressed similar exhortations to the Milanese. The preachers redoubled their efforts, but they did not content themselves with words, and in the end it was they who sought and found a remedy in the erection of public loan offices.

"As in the 13th Century, so now, in the latter half of the 15th, it was the Franciscans who, with the sanction of the Apostolic See, took this social reform in hand. Intercourse with all classes of society had rendered them familiar with the pitiless greed with which Jewish and Christian money-lenders took advantage of a temporary embarrassment to demand incredibly high interest."

What is usury?

Church Spurned Profit From Usury

I have not verified Canon Jackman's quotations, to which I referred at the outset. I do know that he is one of the most outstanding priests and scholars in England. I take his contribution as I find it and hereby present it for your consideration:

"Cardinal Robert Curson (ob. 1218) deals at much length with a matter also touched upon by Cardinal Langton, which their master, Peter the Chanter, had much at heart—the building of churches and especially of monasteries with money given by usurers. Usury was bad enough, but to spend the profits of usury on churches and abbeys, windows and dormitories, hermitages, hospitals and lazar houses, was a sin against the Holy Ghost. It is a fundamentally Christian and indissoluble rule that nobody is in a state of salvation who knowingly lives on the profits of usury, or in any way has intercourse with a thief. (*Georges Lefevre: Le traite 'De usura' de Robert de Courcon;* Lille 1902, p. 37.)

"This pest can only be destroyed if a General Council is called of all bishops and princes under the presidency of the Pope, where the Church and princes together shall decree under penalty of excommunication and condemnation that everybody must work either with soul or body, that everyone may eat, as the Apostle commanded, the bread of his own labour; and that there may be no parasitic (curiosi) or idle folk among us. And so all usurers and mischief-makers and idlers would be done away." (*Stephen Langton by F. M. Powicke,* pp. 88, 89.)

"Curson, or de Courcon, meant every word of it: 'If a monastery has been built with the aid of usury, the Abbot must return every penny of it, should it even leave him nothing to live on . . . Were the Bishop or the Pope to forbid him to do so, the Abbot should not obey, as this would be against the Commandments.' Not easy-going moralists were their English Eminences."

Canon Jackman Catalogs Guilt

Canon Jackman adds the following words in his April, 1940, edition of *"Holy Roodlets"*:

"And as to humility, we Catholics whitewash ourselves far too much to produce any impression of honesty on other denominations. Self-criticism ought to be part of our Apologetics, defending the faith of our Church, but not necessarily its members. The faith is divine, but the members are human. We Catholics have our faults like anybody else; we were as guilty at the Reformation as anybody else, and a little public penance for our past faults would give us a better hearing from other denominations than all the special pleadings that fill our history. At the time of the Reformation we find Pope Adrian VI instructing the papal nuncio to the Diet of Nuremburg as follows: 'You are also to say that we frankly acknowledge that God permits this persecution of His Church on account of the sins of men, and especially of prelates and clergy.' If we had no bad Popes we ought to invent them, and make a song about them."

Thank you, Canon Jackman, for having supplied us with the above quotations. And, in anticipation, thanks to our readers, clerical and lay, who will take the time to ponder upon the questions which Canon Jackman's articles suggested.

Polish Farmer Grateful

TO THE EDITOR:

I wish to congratulate Mr. Stanley Brya of Minneapolis, Minnesota, on his timely and to the point answers to all the slander remarks of other correspondents about our crucified Poland. I am not much posted on history and I am only a busy farmer, but time and again I was ired by some of the remarks. Mr. Brya writes there are many past records that show that Poland had at a certain time much more land and was united with Latvia and Czechoslovakia. The boundaries were the Baltic and the Black Sea, and chances are that some day all those central states will unite again and form a government similar to our United States of America.

All the slanderers never mentioned once how Poland in the past was a frontier of Christianity and how time and again had turned back the Asiatic hordes of Tartars and Mongols that threatened to overrun Europe; and the saving of Vienna from the Turk when all Europe was afraid to stop the Turk and begged kind Jan III Sobieski to save Europe and Christianity, which he gallantly did. And how did the Tartars repay? In true Hitler style, by intrigue, cunning and plotting with the two other tyrants to destroy Poland.

I hope to read more of Mr. Brya's articles, also others that wrote in the past to defend Poland.

—Honor Jostziolkowski

Rosholt, Wis.

The League of the Little Flower Requests You to Pray for the Sick and the Dead

"I beseech you therefore, brethren, through our Lord Jesus Christ and by the charity of the Holy Ghost, that you help me in your prayers for me to God."—Romans 15:30

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NATIONAL WEEKLY

Social Justice

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AUTHOR OF JOHNSON ACT IMPLACABLE FOE OF WAR

CALIFORNIA'S SENATOR CONSISTENT VOTER FOR SOCIAL JUSTICE IDEALS

THE WORK OF Senator Hiram W. Johnson of California, liberal landmark in the United States Senate for more than a score of years, may be described in two words: "against war."

A "freshman" in the Senate on that dark Good Friday of April 6, 1917, Hiram Johnson held fast to his convictions and voted a resounding "no" to the resolution that put the United States into war against Imperial Germany.

Although his choice brought heaping portions of abuse down on his head, Senator Johnson survived in the Senate and saw his judgment vindicated in our tragic—and empty—war losses.

Young Hiram Johnson reached his political maturity in the vigor of the West at the turn of the century, when the growing pains of westward expansion were asserting themselves in the political scandals of that place and time.

Starting as a law student in his father's office, he became Governor of California and United States Senator.

In between he served as assistant and prosecutor in the courts of scandal-soaked San Francisco. As assistant prosecutor, Johnson fought the major public utilities and most of the city administration in the famous "boodling" cases. In the prosecution of Abe Ruef, a notorious political figure, on charges of bribery in 1908, Johnson saw Prosecutor Francis J. Heney shot down in open court. Undaunted, the young assistant stepped willingly into the breach, prosecuted the case, and won a conviction.

Elevated to the governorship after this display of raw courage, Hiram Johnson served one term and was re-elected. He resigned in 1916 to win the Senate seat he has held since.

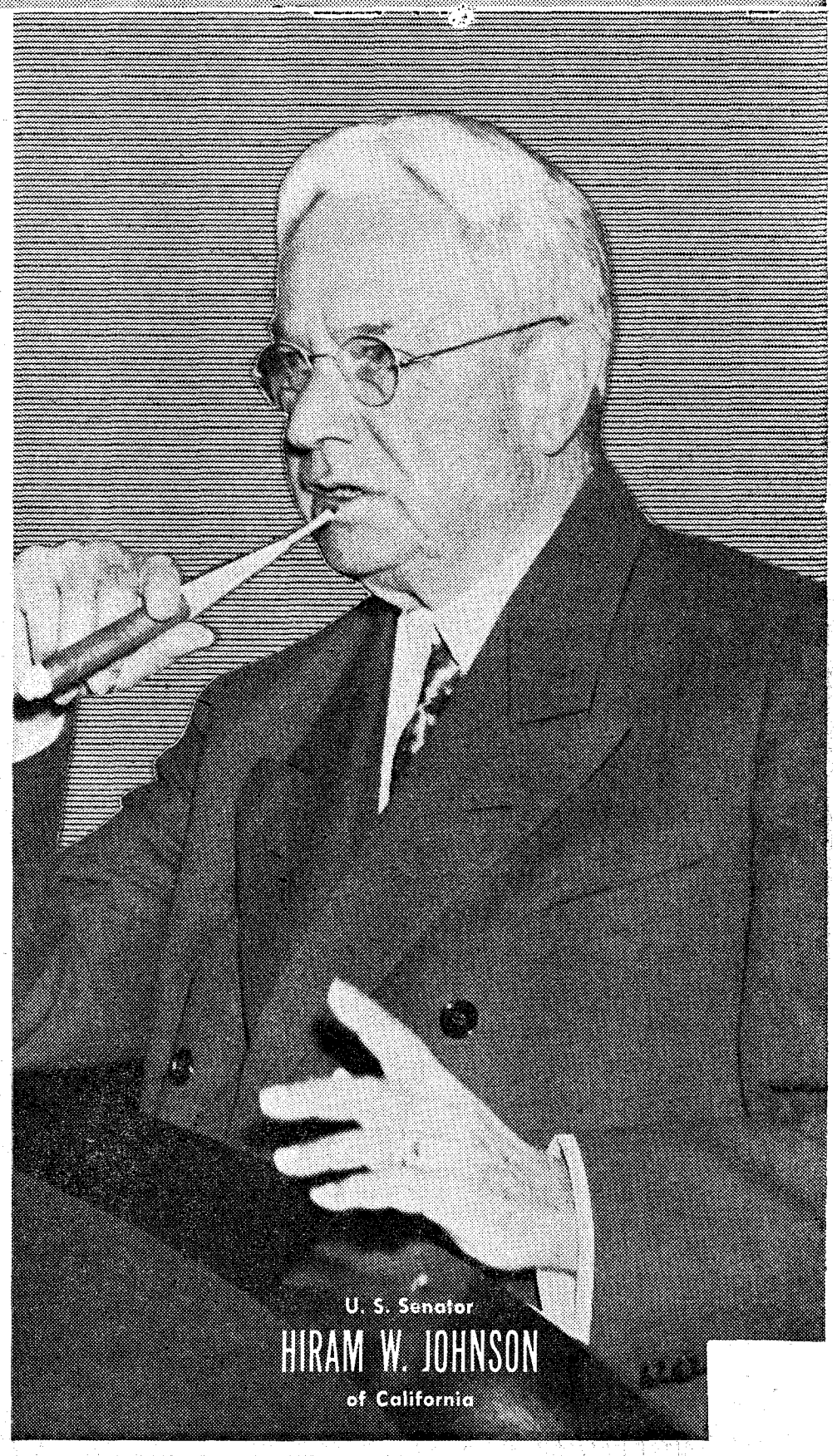
Senator Johnson has given ample expression to his political liberality through votes for the *Wagner Act, McCarran "prevailing wage" amendment, Wheeler-Rayburn Bill,* and the recommital motion that killed the *Supreme Court packing scheme.*

He voted against lifting the embargo, against Reciprocal Trade Treaties and against the World Court. Only on the *Patman Bonus Bill* did Senator Johnson differ on legislation near to social justice principles.

Today, with war's grinning skeleton again beckoning to us across the waters, Senator Johnson still stands resolute. To those who would scrap the *Johnson Act,* which he authored — forbidding loans to defaulting World War debtor nations — Senator Johnson says: "Experience in the last war taught us that the surest way to get into war is to let our money precede us. Then when more money is needed by the belligerents, we let them have it and then go into the struggle to protect our money.

"If we want to get into this war, the way to do it is by making large credits and loans to those already in it."

—*Harris & Ewing*



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